

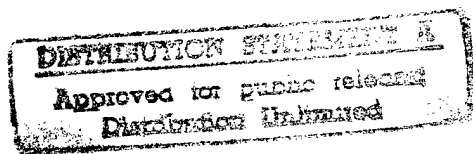
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JPRS 82797

3 February 1983

Latin America Report

No. 2640



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OIL GLUT, LOW PRICES HIT PETROLEUM SALES, REVENUES

Quito EL COMERCIO in Spanish 16 Dec 82 p A1

[Text] Ecuador is facing difficulties marketing its oil due to the drop in prices on the world market.

Official sources attribute this fact to speculation, similar to what has happened in the past on the eve of OPEC meetings.

OPEC ministers are scheduled to meet in Vienna on Sunday to analyze and define certain matters concerning production and group prices.

Ecuador anxiously awaits the results of the meeting; its situation is difficult, government officials admit. Furthermore, it has been learned that in recent days, prices on the spot market have dropped more than expected.

According to some sources, Ecuador now markets about 38 percent of its exportable volume on the spot market, while other officials claim it is only 23.8 percent. Some already include new production from the northeast, while others say that only recently has it started to flow to the shipping port of Balao.

In addition, one official source revealed that these fields in the northeast that have been recently incorporated put out some 18,000 barrels a day, while others claim that the figure is 16,000.

Whatever the case, the sales volume on the spot market (40,000 or 25,000) is considerable and disadvantageous. The barrels are sold at a lower price than the \$32.50 paid for long-term sales. Through this system, 45,000 barrels of crude are sold a day.

Government officials recently admitted one sale on the spot market at under \$30. In other words, the price is steadily dropping.

Within such a framework, officials are trying to renegotiate the price of oil covered by long-term contracts for the first quarter of next year.

This process will include the proposals of Nationalist China and possibly from the German firm that would be an intermediary in purchases by the Soviet Union. Nationalist China is interested in 10,000 barrels a day and the Soviet Union 20,000.

These are the most certain of potential buyers that have recently come forth. Nevertheless, the price they pay for a barrel of crude will be equal to that recorded for PETROBRAS [Brazilian Petroleum Corporation], Kyung In and the Korea Oil Corporation (former customers).

The Ecuadorean Government wants to at least defend the price of \$32.50 a barrel. This possibility will be expanded when OPEC concludes the meeting with positive results.

In the meantime, official sources say that a policy of storing the oil has been adopted.

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CSO: 3348/161

BRIEFS

GUATEMALA-ARGENTINA BARTER AGREEMENT--A move to exchange 300 buses manufactured in Argentina for Guatemalan coffee is about to be finalized, according to reports in Guatemala's capital, as part of this country's new economic policy. The barter agreement was discussed on the occasion of a visit to Argentina by a Guatemalan trade mission headed by Julio Matheu, the minister of the economy, and was formalized when an Argentine mission returned the visit to Guatemala. Guatemala has also explored bartering with other countries, including some socialist bloc countries, such as Bulgaria and Romania, according to a report by Matheu. Another barter arrangement is now being negotiated with West Germany. [Text] [Guatemala DIARIO DE CENTRO AMERICA in Spanish 14 Dec 82 p 1] 9839

CSO: 3248/409

POLL SHOWS 26 PERCENT OF VOTERS UNDECIDED

Buenos Aires SOMOS in Spanish 7 Jan 83 pp 4-8

[Text] For Whom Would Argentines Vote Today

A couple of months ago the SOMOS editorial staff got the idea of hiring a specialized firm to conduct what would be the first systematic public opinion poll in connection with the 1983 elections. Our concern was unquestionably a timely one because in Argentina, with its almost five million new voters, no one knows precisely where things stand politically.

We wanted to scrupulously avoid any sort of improvisation or lack of rigor in the survey. We therefore chose the firm A&C Analistas de Empresa y Consultores de Direccion, which has been conducting public opinion polls for 16 years now. Its first major experience in this field was a poll taken on 30 June 1966, just days after the uprising that installed Gen Juan Carlos Ongania as president, to gauge the population's degree of support for the new government. A&C also has on its record a strikingly accurate forecast: in 1973 a poll taken prior to the 11 March elections gave 49 percent of the vote to the Campora-Solano Lima ticket, which wound up on top in the balloting with 49.7 percent.

The current poll, conducted expressly for SOMOS, was based on a list of 14 candidates regarded at the time as having the best chance to head up party lists and centered on a population sample that was proportionally representative of all segments of the electorate: age, sex, occupation, level of education and socioeconomic level. The system that A&C used stems from a contract that it signed 2 years ago with the American firm Louis Harris and Associates, a recognized specialist in public opinion polls.




The candidates mentioned for the poll were Italo Luder, Fernando De la Rúa, Raul Alfonsín, Lorenzo Miguel, Antonio Cafiero, Eduardo Massera, Alvaro Alsogaray, Angel Federico Robledo, Oscar Alende, Rogelio Frigerio, Maria Cristina Guzman, Francisco Manrique, Rafael Martinez Raymonda and Juan Carlos Pugliese. The poll-takers were on the streets for a month, complying rigorously with the research system, a system whose margin of error is more or less only five percent, after the entire poll cycle is completed.

The poll was taken throughout the Greater Buenos Aires Metropolitan Area, and its findings can be validly extrapolated to the rest of the country. This is a significant area; within its borders there are 5,787,700 potential voters, in other words, persons between the ages of 18 and 65.

The findings of the poll, which are published in their entirety in this special edition of SOMOS, enable us not only to see which candidates would get the most votes (and the proportions thereof) but also to discriminate between the preferences of varying segments of the population: those who have never voted before; those who have some voting experience; housewives; students; blue-collar workers; professionals; men and women, separately; voters of different socioeconomic levels (upper and upper middle, middle-middle, and lower-middle); and voters according to their level of education (none, primary, secondary and tertiary or university-level). We then calculated support for the various parties by adding together the vote totals of the appropriate candidates. This, however, is an inference based on the poll, not its main purpose, which was solely to investigate individual candidates.

An undertaking of this scope (the first of its kind in the country for many years and practically unprecedented in terms of rigor and organization) warranted, as a final point, an in-depth analysis of each facet of its findings. Therefore, in this edition SOMOS's customary "Political Key" section is devoted exclusively to an examination of the figures that resulted from the work by A&C. The tables, with necessary explanations, appear in full below.

On the following page are the overall findings of the poll. The table contains a very thought-provoking piece of information: 17 percent of the respondents still do not know for whom they will vote in the next election and, therefore, mentioned no candidate. It is also thought-provoking that 9 percent of those polled said that they would not vote for any of the 14 candidates mentioned. They did not clarify whether they were for or against elections, but we can most likely assume that this segment has a candidate that they did not disclose to the poll-takers or will have one later on as the political panorama becomes clearer. We can thus conclude that the poll shows an undecided vote of 26 percent, a truly significant number. Four percent, who appear under the category "other," said that they would not vote for any of the names on the list and then gave their own candidate. Foremost here were Isabel Martinez de Peron (two percent), Raul Matera (one percent) and Athos Fava or "any candidate that the Communist Party nominates" (one percent). It bears mentioning that the original list included the names of Maria Cristina Guzman, Rogelio Frigerio and Juan Carlos Pugliese, who do not appear in the table because they did not receive one percent of the vote. The percentages in the table add up to 101, because decimals were rounded off. The candidate vote totals are extrapolations of the poll findings to the number of voters in the Greater Buenos Aires Metropolitan Area. The votes by party are simply the sum of the percentages of their respective candidates.

	Alfonsín 19%		Robledo 5%
	No sabe 17%		Manrique 5%
	Luder 11%		Alsogaray 4%
	De la Rúa 10%		Otro 4%
	Ninguno 9%		Cafiero 2%
	L. Miguel 6%		Massera 2%
	Alende 6%		M. Raymonda 1%

BY PARTIES
Por partidos

Radicalism Radicalismo	29 %
Justicialism Justicialismo	24 %
Center Centro	12 %
Left Izquierda	6 %

VOTES BY CANDIDATES
Votos por candidato

Alfonsín	1.099.663
Luder	636.647
De la Rúa	578.770
Miguel	347.262
Robledo	289.385

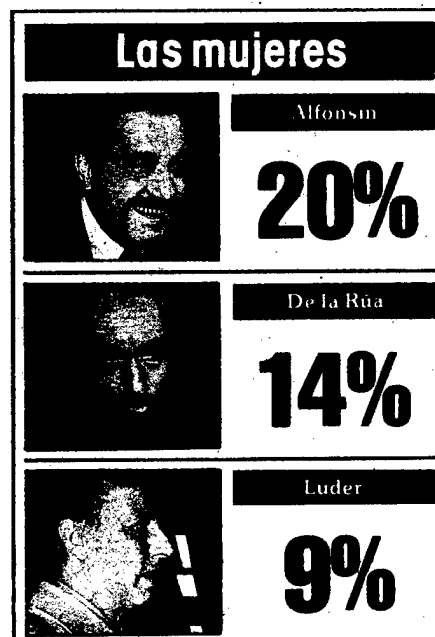
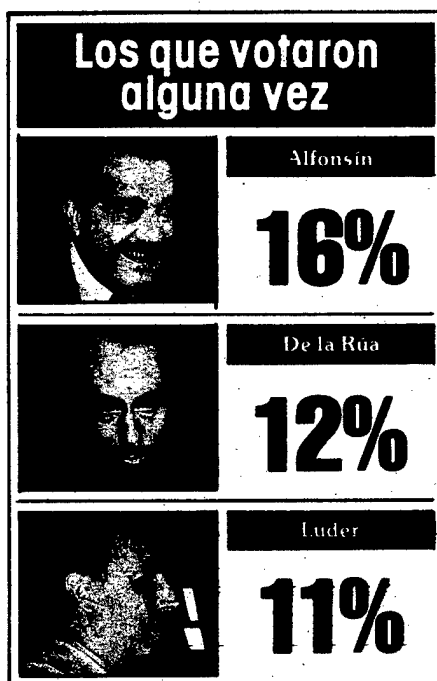
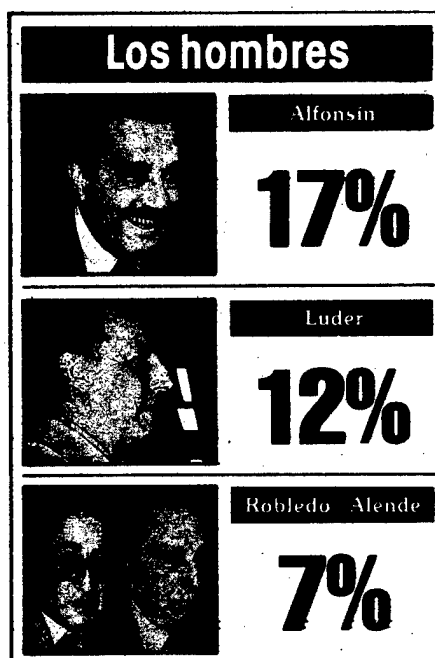
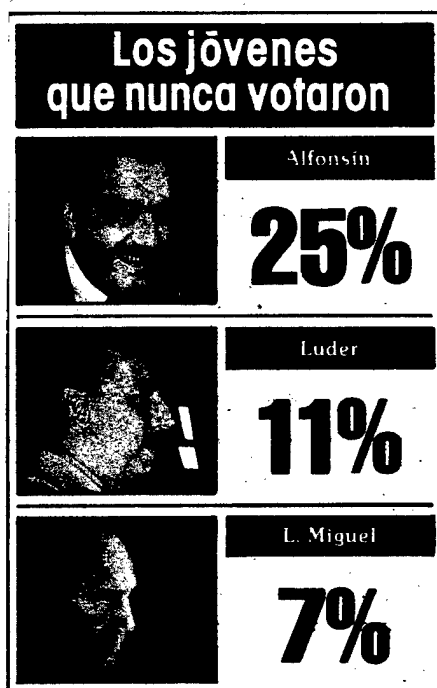
Among these tables is one that is perhaps the most anticipated: the one covering first-time voters, the segment of the population between the ages of 18 and 28. This segment is very large, accounting for 28 percent of the electorate in the poll area (Greater Buenos Aires), much larger than other age groups. Alfonsin's lead here is sizable, not just because he is far ahead of his closest pursuer (Luder) but also because his result here is better than in the overall poll (25 as opposed to 19). Luder's support, in contrast, is the same as in the general poll (11 percent, and Lorenzo Miguel's backing among first-time voters is one point higher than in the overall poll (seven and six). Among voters who have some prior election experience, however, the gaps narrow. Alfonsin still holds first spot with 16 percent; Luder remains at 11, but De la Rua takes second (above Luder) with 12 percent. If we break down the vote by sex, women account for 52 percent of the electorate. Alfonsin has a bigger lead among women than men (20 to 17 percent), but De la Rua takes second among women voters (14 percent) even though he is not in the top 4 among men. Luder, who comes in second among men with 12 percent, falls to 9 percent among women.

Sharing third place among male voters are two candidates who did not appear in the age breakdowns: Robledo and Alende with seven percent. Among blue-collar workers, Lorenzo Miguel jumps to 25 percent, followed closely by Luder (23 percent) and, at a greater distance, by Robledo. In the case of professionals, Alfonsin scores a significant 33 percent; De la Rua garners 14 percent, as he did among women, and Alsogaray gets a suggestive 11 percent. White-collar workers favored two candidates in particular, Alfonsin and De la Rua, with no third-place vote-getter standing out. Among housewives, in contrast, Alfonsin and De la Rua were preferred (23 and 13 percent), followed by Lorenzo Miguel with 9 percent, 3 percent higher than his overall average. One of the most telling figures in the poll is Raul Alfonsin's result among students, 41 percent; coming in second, and significantly so, was Francisco Manrique with 14 percent, ahead of Luder with 9. Among the unemployed, lastly, Miguel was predominant (as among blue-collar workers) with 17 percent, followed by Italo Luder with 7, with no one clearly taking third.

The table based on socioeconomic level requires a clarification, because unlike other tables, the importance of the percentages here varies widely in accordance with the stratum's size. Estimates are that the upper-middle class represents only 10 percent of the population of Greater Buenos Aires. The middle-middle class represents 50 percent, and the lower-middle class comprises 40 percent. Thus, for example, the 23 percent of the vote that Alfonsin gets among the upper-middle class, represents much fewer voters than the 22 percent he garners among the middle-middle class or the 12 percent in the lower-middle.

Voter Profiles

Alfonsin: Young middle-class voters with secondary and university schooling.
De la Rua: Older women with secondary school studies
Luder: Lower-middle class with primary school studies
Miguel: Lower-class with primary school studies or no schooling
Alsogaray: Upper-middle class with university studies.

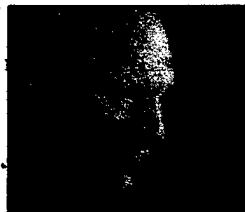


Key:

1. Young people who have never voted
2. Men
3. Have voted before
4. Women

Por ocupación

Obreros



L. Miguel

25%



Luder

23%



Robledo

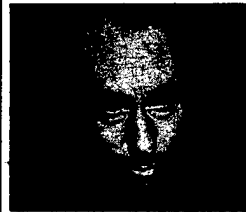
13%

Amas de casa



Alfonsín

23%



De la Rúa

13%



L. Miguel

9%

Profesionales



Alfonsín

33%



De la Rúa

14%



Alsogaray

11%

Estudiantes



Alfonsín

41%



Manrique

14%



Luder

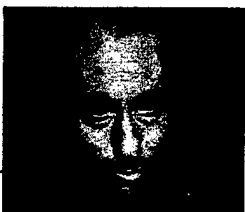
9%

Empleados



Alfonsín

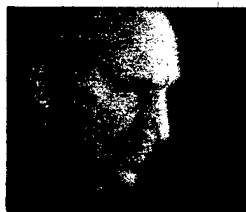
18%



De la Rúa

13%

Desocupados





L. Miguel

17%



Luder

7%

Por nivel de estudios			
Ninguno		Secundario	
	L. Miguel 37%		Alfonsín 22%
	Luder 16%		De la Rúa 13%
			Luder 8%
Primario		Terciario	
	Alfonsín 16%		Alfonsín 20%
	Luder 14%		Alsogaray 13%
	Robledo 11%		Luder 11%

**Por nivel
socioeconómico**

Medio alto



Alfonsín

23%



Alsogaray

21%



De la Rúa

15%

Medio medio



Alfonsín

22%



De la Rúa

12%



Luder

9%

ANALYSIS OF 'SOMOS' POLL FOCUSES ON IMPACT OF CANDIDATES

Buenos Aires SOMOS in Spanish 7 Jan 83 p 9

[Article by Polibio: "Keys to the Poll"]

[Text] We are beginning 1983, an election year, with an analysis of an election poll. The Argentine public's preferences for presidential hopefuls are food for thought. The sum of the "none" and "don't know" categories (26 percent) in the poll that SOMOS has reported on is, of course, high, but it is also to be expected, given how far off the elections are. Among those who do know for whom they are going to vote, however, the preference for the Radicals (Lafonsin, 19, and De la Rua, 10 percent) seems to square with what another facet of the poll tells us about the overall support for the Radical Party, 34 percent. Alfonsin and De la Rua almost monopolize the Radical vote. There is a major discrepancy, in contrast, between the percentages obtained by the Peronist presidential hopefuls (Luder, 11 percent; Lorenzo Miguel, 6; Robledo, 5; Cafiero, 2, and Matera, 1) and the support for the Peronist Party that the poll reflects (39 percent). The explanation is that Peronism is lagging behind in the election race; its candidates have not developed clear-cut images, as have the Radicals. They do not stand out as much as individuals, and we would thus suspect that there are more Peronists than Radicals among the group that still says "none" or "don't know." A high percentage of these respondents are probably Peronists who have not yet decided to which candidate they will give their traditional partisan support.

Peronism has won every election in which it has run since 1946. In 1973, the last election year for Argentines, it took 49 percent of the votes in March (Campora) and 62 percent in September (Peron). The figures for Radicalism were 21 and 24 percent, respectively. Averaging out the two elections, we get 55 percent for Peronism, 22 percent for Radicalism and 13 percent for Manrique (Center).

These numbers say a great deal. The gaps are very large. The fact that Radical candidates now get 29 percent and Peronists 25 means only that the race among presidential hopefuls to develop their own images has just begun. The poll's finding that 39 percent support Peronism and 34 percent Radicalism is more in line with the 1973 results. But

if we accept the hypothesis that many of those who responded "none" or "don't know" are Peronists, the most sensible thing to assume is that the 1983 figures will be even closer to those in 1973. The Peronists might still drop somewhat from the 55 percent they secured 10 years ago, and the Radicals might garner somewhat more support. But there is no reason to expect an electoral revolution. As of now, our assumption is this: about 45 percent for the Peronists and about 35 percent for the Radicals. As far as the Center is concerned, the fact that Manrique (5 percent) and Alsogaray (4 percent) together got only 9 percent in the poll, quite a bit less than Manrique's average of 13 percent in 1973, is the result of an inexorable political law: when a movement splits, it splits into three, not two factions: faction "a," faction "b," and the people who are disheartened and go elsewhere.

Political Instability, Electoral Stability

Moreover, we must not confuse political instability, something that we Argentines possess in great amounts, with electoral instability, something that we think we have before every election, only to discover afterwards, to our surprise, that that was not the case. Argentines tend to maintain their party preferences because, in general, they do not vote as free, uncommitted, rational individuals who opt for this or that platform or candidate in each election. Rather, they vote as members of family or social groups with longstanding traditions that cause them "to be" of this or that political stripe. In Argentina "you are" a Peronist or a Radical, just as "you are" a fan of Boca or River. Ontologically. This is why election returns repeat themselves in spite of institutional upheavals.

Just as in every election from which they were not banned from 1946 to the present, the Peronists will likely win, followed by the Radicals. This is somehow built into our social fabric. According to the poll, 10 percent of the population belongs to the upper-middle class (businessmen, those of independent means, professionals, landowners), 50 percent to the lower-middle class (white-collar workers, teachers, small businessmen), and 40 percent to the lower-class (blue-collar workers, laborers, the unemployed). Almost all, if not all the people in the lower class are Peronists; the Radicals predominate in the middle class, but there are also Peronists, MID [Integration and Development] backers, Intransigents, Socialist, etc; and the upper-middle class is predominantly centrist, though there are some Radicals.

The breakdown by level of schooling tends to corroborate the sociopolitical structure. Among those with no schooling, Peronism is clearly dominant. Among those with primary schooling, Peronism predominates, followed by Radicalism. Among those who have gone to secondary school, this order is reversed. Among those with university studies, Radicalism predominates, followed by the Center and Peronism. We should note here the striking impact of Raul Alfonsin among students: 41 percent. This support extends to young people in general, who back Alfonsin to a greater extent than the citizenry as a whole (25 to 19 percent).

Peronism and Pluralism

One way of properly evaluating the string of election polls that we will be seeing henceforth is to consider that Argentina has a voting pattern in which the Peronism-Radicalism-Center trio (in that order) is basically stable. This does not mean that significant changes might not occur within this structure, such as, for example, Alfonsin's impact among students or the slowness of Peronist candidates to develop individual identities for themselves or the split and weakening of the Center between Manrique and Alsogaray. If we approach it this way, we will no longer ask ourselves which party will win a few months from now. A better question would be how it will win, by what margin, with what degree of internal cohesion, behind which of its presidential hopefuls and, on this basis, how much power and maneuvering room will it have. As far as the opposition is concerned, the question will be how much control it can exercise in the houses of Congress, at the local level. More important than the question about Peronism (whether or not it will win in the spring) is the question about pluralism: after the Peronists win, as they are likely to, will they be able to restrain and civilize their power within the framework of constitutional checks and balances.

8743

CSO: 3348/162

ALFONSIN SPEAKS ON ALLIANCES WITH LABOR UNIONS, ELECTIONS

Buenos Aires SOMOS in Spanish 7 Jan 83 pp 14-17

[Interview with the head of Renovation and Change, Raul Alfonsin, by Bernardo Neustadt and Mariano Grondona, in his office; date not given]

[Text] Neustadt: You could be president of the republic within a year. Do you think that you will be able to pacify the unions?

Alfonsin: I think that we have to give a clear response to the calls for social justice and that we can do so because the proper response morally is also the proper response economically. We have to fuel the people's buying power because this will boost overall demand; if overall demand rises, then production has to expand, and new workers have to be hired to boost production. This is how our production machine will be set in motion again.

Grondona: The domestic market could be the groundwork, but it is not sufficient for sizable economic growth. We also have to think about exporting...

Alfonsin: Yes, of course, this is another conditioning factor. Predictions are that the world is going to record zero growth, and it will be very hard for us to find export markets, but not impossible. Herrera Campins told me that Venezuela imports \$1.3 billion a year in foodstuffs, mainly from Europe and the United States. We have to try and really integrate ourselves in the Latin American market so that we can obtain many things here that we now have to purchase outside the region.

Neustadt: What is your preparation for public office? In countries like Germany, France and Italy a party's candidate has generally been a senator, deputy or governor. The interruption of the democratic system here made that difficult, and people realize that a country cannot be governed with enthusiasm and determination alone.

Alfonsin: Well, the Alfonsin-Martinez ticket has valid political experience. We were twice provincial deputies, a national deputy, chairman of the provincial committee, a provincial assembly delegate...

Neustadt: In a country with democratic continuity you would have reached higher levels...

Alfonsin: Of course. I have no experience in top-level government, shall we say.

Grondona: In the United States, for example, a politician who used to own a store would be willing to spend a million dollars on an election campaign. Things are different here, and the question is: Are there privileged groups with more financial power than others?

Alfonsin: I think that some group or organization is trying to discredit me or question my trustworthiness. They are attacking me with the issue of campaign funds in particular, and this hurts me because those who know me realize that if there is one virtue that is well inculcated in me, it is trustworthiness. We will have difficulties, and our finance committee is fully aware of the conditions that have to be met by those who want to collaborate with us. We don't want to have anything to do with interests that are not national.

Grondona: You don't want donations with strings attached...

Alfonsin: Of course not! No one is going to impose any conditions on us, and I think that all political parties will take this stand.

Neustadt: There are many here who go around talking about freedom and respecting the opinions of others, but in the end they don't want to compare ideas and engage in debate. If I wanted to hold a public debate among Alfonsin, Pugliese and De la Rúa, I would find it tremendously difficult. Would you participate in a public debate with them?

Alfonsin: I think that the difficulties might stem from some degree of modesty, from a reluctance to appear locked in a mad competition. At least as far as I'm concerned, I wouldn't have anything against a public debate in which I could defend our ideas, as long as there are clear ground rules.

Neustadt: The people here would much rather elect or see a candidate than a system. And the public can draw better conclusions and compare and evaluate candidates better when they compare ideas.

Alfonsin: Look at Reagan, whom everyone can see on television. But one of these days someone might get the idea of prohibiting actors from becoming politicians, because it's an enormous advantage...

Neustadt: Argentine political leaders are supposed to know about politics, economics, organized labor, foreign relations and art; in contrast, the United States is run by Reagan, an actor who in Argentina I don't know whether he could have made it to intendant. What do you think of this?

Alfonsin: I think that our leaders are on a high level, that they are among the finest, and I'm comparing them with politicians in Europe. I know many European politicians and I can say that ours are on a very high level, even though they are always up against uncertain finances and military coups. This is a dangerous, self-sacrificing profession, and yet the parties have produced fine leaders.

Grondona: Many people are wondering today whether the military's withdrawal is going to be definitive, whether the path to democracy is stable or whether it is another swing of the pendulum between civilian and military governments. So we have to ask ourselves what the politicians are going to do to avoid this swing of the pendulum.

Alfonsin: First of all I would reply that we have to fill all of the political spaces that democracy allows, to make it strong and dynamic, because I take it for granted that there are sectors that profit from repression and authoritarianism, and, therefore, we know that they are going to be enemies of democracy. But I also think that they are a tiny minority and that they will attempt to destabilize things by resorting to the theory of ideological frontiers and continental security.

Grondona: Could you be a bit more precise?

Alfonsin: We Argentines already have quite a bit of experience in identifying these minority groups that have always worked against democracy. They portray themselves as untainted to the Armed Forces and claim that grassroots political parties are tainted or infiltrated to trigger a reaction from the military. So this is a risk that we have to take into account.

But I also think that there can be no democracy in Argentina without a democratic labor movement.

Grondona: Paradoxically, the military always liked to talk about union democracy, but every time they tried to make changes, the results were debatable.

Alfonsin: We are missing a big opportunity here to build a truly democratic union structure. I can see developments taking place that indicate that, as always, the military governments do not seek union democracy in spite of what their ministers or advisers at the time might say.

Grondona: Basically it's corporativism.

Alfonsin: An idea has been going around about a corporative pact, but let's leave that aside for now. Essentially what we have to do is forge an alliance between democracy and organized labor and between democracy and production. Why? Because we have to take over the government and power. We will thus avoid lapsing into the past mistake of addressing the issue of the Armed Forces with postures ranging from nihilism to "let's not stir things up."

Neustadt: Given this picture, what do we do with the Armed Forces?

Alfonsin: We have to lead the Armed Forces; the country has to lead the Armed Forces. I don't want to give the Armed Forces away to tiny groups because I want to see to it that they really defend the interests of the majority, and I think that we can do that. Moreover, we have hit bottom; I know that I have said this many times, and the bottom was lower, but not this time.

Neustadt: Around 1944 to 1945 Peron told a major faction of Radicalism: Let's join forces. In my judgment, Sabattini's mistake was to tell him no. In 1955 Frondizi told Peron: Let's join forces. Frondizi left Radicalism, and they joined forces. The entire Radical Party faced off against Frondizi and 20 years later wound up proving him right.

Alfonsin: There has, it seems, been some ill will among us, though this is very debatable. As a Radical I have a right to think that the party also has a right to be the vanguard of a grassroots, democratic movement for change. I think it's fine if another man from another party feels that his party should be the vanguard, but the important thing is to spell out these issues of national unity and leave these fundamental values out of our political competition.

Neustadt: That would be valid to the extent that you represent the entire party. Let's look at the worst case scenario: you fail to win the party's nomination and continue to dream about the movement, while large factions of Peronism do likewise. What happens then?

Alfonsin: No, we're not going to switch parties, because in our case that would be destroying a fundamental element of democracy. Moreover, a person who seeks a party's nomination and does not accept the party's decision cannot go before the country afterwards as if nothing had happened.

Grondona: After the rally in Luna Park many people saw Alfonsin as a potential Frondizi in 1956, in other words, as a man who is making an appeal that goes beyond party lines and who, in the hypothetical event that the party should split in two, could head up a new group consisting of Radicals and non-Radicals.

Alfonsin: I view this as a series of concentric circles. The first circle is Radicalism, which we want to turn into a movement, which we ceased to be when we lost our top spot as the people's representatives. In this sense, we are summoning people within the Radical Civic Union, and people from socialism, the MID [Integration and Development Movement] are joining us. Then comes the circle that goes beyond Radicalism and in which we try to spell out objectives common to the democratic front. Then there is also the Multiparty Group, in which we have to keep working and which, to me, is an important tool for democracy. We are now headed towards an electoral competition, and the important thing is to realize that democracy is not a competition for the people's vote; it has another goal. So let's engage in a healthy competition to see who leads the entire Argentine nation, rather than a small, petty thing to enshrine candidates.

Grondona: Is the Alfonsin-Victor Martinez ticket final?

Alfonsin: Yes. It was difficult to reach an understanding with all of the party's factions, and thus we decided to put together a more nationwide ticket that would not look as if it represented just Buenos Aires. And then we have the extraordinary talents of Dr Martinez, a true representative of the Cordoba line.

Neustadt: In your party there are Radicals who seem like conservatives, while Alfonsin represents the socialist view. Many people support you because you seem to want to work on the entire Argentine structure and make the anticipated changes. Isn't this a contradiction?

Alfonsin: Your observation is a good one, but you have to realize that we are an ethic rather than an ideology. What holds us together is a defense of man, of his freedom and of justice. This is what really holds us together, both those who feel that these conditions already exist in Argentina and that the country just needs a little touching up to keep everything moving along fine, and those who feel, in contrast, that we need a more substantive change in our foundations, in our structures so that the country can move forward.

Neustadt: You speak of "us," and I'm talking with Alfonsin. Pugliese, Troccoli or De la Rua could also say "us" and speak on behalf of Radicalism.

Alfonsin: I think that's possible because every political party in the world has shades of opinion. I don't think there is one that doesn't because even the Communists have major shades of opinion on political practice.

Grondona: As time goes by, people are paying more attention to what is going on in the parties than to what the government is doing (the fact is that everyone hopes it goes away). Extreme tensions at conventions or party breakups could logically discourage many people from continuing to believe in the parties as March or April draws near.

Alfonsin: That's not going to happen in Radicalism; we are all very concerned about maintaining unity. But you're talking about March or April, and there is another important issue here. We are asking that the elections be moved forward (I think that in the end they will be), but the statute will also have to be amended. We want the membership drive to end on 28 February.

Grondona: There was a protest in the Federal Capital over vacations during the membership drive. What is this all about?

Alfonsin: The membership process in the capital is very bothersome, because you have to sign the book in the presence of the inspectors and supervisors of all the lists. It's a time-consuming procedure, and on top of that we'll be on vacation until 15 February. This is why the protest was submitted to the courts. Our membership drive is doing fine.

Grondona: Do you see this as some sort of maneuver or simply...?.

Alfonsin: No. I think that that's how Radicalism operates in the Federal Capital; it's not too concerned about a high membership. It has to do solely with different ways of approaching party activity.

Grondona: At the beginning of the interview you complained about the unions lacking a pluralist organization. As they are organized now, are they democratic or not?

Alfonsin: I hope that they have learned their lesson. My basic assumption is that democracy cannot exist in the modern world without a strong and powerful organized labor movement that defends the interests of the workers in the proper way. Nowhere in the world do unions conspire against production, except in the case of certain trends towards automation. As a rule they even have the finest economists working with them to prevent anything that would threaten the source of jobs.

Neustadt: Could you give us an example of this?

Alfonsin: In 1965 I went to Germany, and their General Labor Confederation received me in a big building in which the people in charge of international relations spoke perfect Spanish. I asked whether real wages had fallen, and they told me "Yes sir." What did they do? They replied: We are now traveling all over the Federal Republic to prevent the affiliated unions from demanding wage boosts because, according to the analysis of our economists, this would increase costs, which would cause us to lose overseas markets, after which would come a recession, and after that unemployment, which is what we want to avoid.

What this means is that they analyze the way things are, struggle as hard as they can to secure an increasingly large share of the national income pie and do not conspire against it.

Neustadt: The fact is that the economic advisers of the German working class are German and, therefore, work for the good of the country, not of the union.

Alfonsin: They are neutral.

Neustadt: Let's move on to another issue that concerns the future. If you win the election, who will appoint the commander of the Armed Forces?

Alfonsin: I will.

Grondona: I think that this is very important, above all to avoid making the mistakes that Frondizi and Illia made. A president cannot surrender or ignore that responsibility; he has to assume it.

Alfonsin: I agree that he has to take command and discharge his responsibility, but I didn't mention the two men that you cited.

Neustadt: Your party had a key foreign policy figure: Miguel Angel Zavala Ortiz. He's no longer around. Who will Alfonsin have beside him in this sphere?

Alfonsin: You'll see.

Neustadt: Are you acknowledging that if the party cannot provide the man the government needs for foreign relations or education, for example, you might have to look for one outside Radicalism?

Alfonsin: Yes, if that were the case, as you describe it, yes. Moreover, I think that we have to put together a government of national unity, which is not the same as a coalition government.

Grondona: What's the difference?

Alfonsin: A coalition government is the result of a compromise.

Grondona: How will you approach relations with the United States?

Alfonsin: I think on the basis of acknowledging that we have different and at times opposing interests and that they shouldn't talk to us anymore about aid or cooperation, which goes for European leaders too. I have good friends in Europe who when we get together always start talking to me about aid, and I stop them right away. I tell them that they have to realize that we cannot continue helping them boost their peoples' living standards at the cost of worsening living standards for underdeveloped nations, which is what is actually happening.

Grondona: What special relationship is developing between Alfonsin and young people?

Alfonsin: I ask them first of all not to make the mistakes that we older folks made and to take the approach that in a democracy a person who does not share their beliefs might be an adversary but not an enemy. I tell them to follow ideas, not men, because men can fail, whereas you can hold an idea for your entire life. I also tell them that they should work and study to build their own future with honest work.

Neustadt: The other day I was with a young fellow from Franja Morada, the president of the Engineering Department's center. I introduced him as a supporter of Alfonsin, and he got very nervous. He told me: I'm not an Alfonsin supporter; I'm a Radical. And I always had the impression that to talk about Franja Morada was to talk about the Alfonsin faction.

Alfonsin: What happened here is that there were splits in certain departments in Buenos Aires University. So I think that Engineering and Psychology split from the nationwide Franja Morada.



En el estudio de Santiago
del Estero al 100.
Nevstadi y Grondona
preguntan. Alfonsin
responde. Definiciones.

In the office on 100, Santiago del Estero Street, Nevstadi and Grondona ask the questions. Alfonsin answers. Definitions.



8743
CSO: 3348/162

RECORD WHEAT HARVEST BRINGS ON MARKETING, STORAGE PROBLEMS

Buenos Aires CLARIN in Spanish 18 Dec 82 pp 8-9

[Text] "We are witnessing a record crop which will surely surpass 12 million tons," reported all sectors consulted with regard to the 81/82 wheat crop, even though certain differences regarding perspectives in its marketing did show up.

For the minister of agriculture and livestock, Victor Hugo Santirso, "the estimate made on 15 November this year of 12.7 million tons is a supposition of decrease made on prudent bases, since from our latest reports, we think the yield will be very high and which, I believe, we will get about 13 million tons."

Horacio Fernandez Harper, director of the La Plata Cereal export company, had similar thoughts regarding the yields obtained and stated, for example, that the Pergamino area is averaging 3,500 kilograms per hectare, when the usual average has always been 2,500 kilograms. Increases of this kind in yields are also holding true in other parts of the country.

Production leaders were a bit more prudent in their appraisals. Orlando Gilar-doni, head of the Agricultural and Livestock Intercooperative Confederation (CONINAGRO), though that albeit true that the south zone of Santa Fe Province 30,000 kilos per hectare in some instances were exceeded, "one cannot fail to bear in mind that in zones in Cordoba Province those yields were put between 1,800 and 2,000 kilos per hectare," and Humberto Volando, president of the Argentine Agrarian Federation, thought that "the national average cannot be much above 1,700 kilos per hectare, because you have to consider that planting has been done in zones not specifically wheat growing ones."

Marketing and Storage

Another of the points where coincidences show up is in the lateness with which marketing the harvests was begun.

Fernandez Harper explained the delay pointing out that "when wheat was \$180 per ton, the National Grain Board did not open the register of exports and there we lost out making sales at prices which today would be considered as very good. Later, posted prices above international market prices were set,

something that was a new delay factor. And when we could get out to sell on the market, we found that many buyers had already taken positions, as in the case of Brazil, for example, which made practically all its purchases in January and February on the U. S. market, with prices higher than ours -- \$162 against \$149 per ton -- but with unbeatable financing terms.

For producers, the greatest difficulty that arises from lateness in placing surpluses is the problem of storage which will come up in combining the February and March wheat harvest with those of corn, sunflower and sorghum. Volando, as well as Gilardoni, agreed in that "normally, for that period, storage installations are already totally empty of wheat, while now in joining the two crops, it will be linked to 'urgency' marketing and, for the time being, harmful to producers."

Regarding storage problems mentioned, Santirso's reply is that "reports from all the provinces about storage capacity in existence in the country are being gathered which I believe is greater than generally predicted. Once all the reports are in, they will be made public and we will be able to respond more to the concrete aspect of the problem."

"Anyhow," the official added, "I believe the problems are greater in river ports than in those on the sea. And, besides, I think if we did not have problems with a 35 million ton crop, I do not see why we would have to have them now."

Posted prices

While Fernandez Harper pointed out that the reference prices exceeded international market values, they were totally insufficient for the producer companies.

Volando stressed on the other hand "the fact that at least posted prices do exist -- as low as these may be -- because, on the contrary, I am sure that 100 kilograms of wheat would be selling for less than 400,000 pesos and the speculative aspects would have increased. But the price fixed today by the Board of 485,000 pesos per ton is below production costs which, having been kept in mind, would bring a posted price of approximately 595,000 pesos right now."

To these arguments Gilardoni added that "although many producers have come out of their distressful situation, it is certain that between the small and medium producers, given these prices, nobody will be able to renovate his land with heavy machinery (tractors) and only purchases of small seeders or disk harrows are being made. If to this we add credit nowadays, which is totally out of the question because of high interest rates in force, we can conclude that despite the effort made by the grower to achieve this large harvest, the decapitalization process within the sector is still there which will make keeping a certain continuity difficult or even to enlarge agricultural and livestock limits."

Santirso's answer to these questions was that "it is true that the posted price is above international prices and it is also possible that there is

some phase shift in relation to production costs, but in making this price it is not related to costs, but to the real condition of the market. And that condition says that at this time there is a general price drop in all international markets which affects the agricultural and livestock sector worldwide, and it makes production in nearly all countries not wholly profitable.

International Markets

Another point of coincidence among the different sectors was the special situation through which international markets pass, characterized by overproduction and the consequent drop in prices.

Fernandez Harper emphasized the double fact of "the existence of a large exportable balance on the part of the United States, but the simultaneous failure of the Australian harvest, for which Argentina should fill the gap that country left in the market."

As compensation, Volando warned that "although the situation is grave, many times it is made worse by the objective of lowering prices in the domestic market."

"One has to be careful," he added, "of pressures exerted on government to that the posted price not be increased. At the present time we find ourselves with a price that fluctuates between \$148 and \$150 per ton, which is not such a catastrophic price."

Faced with this argument, Fernandez Harper stressed that "the few operations that have been made were at the cost of operating with a countermarging of 3 to 5 percent. We hope the situation can be overcome by means of compensating mechanisms on exports which were announced some time ago, but up to now have not been put into effect."

The mechanism "will be made known as soon as possible," so Santirso said, who added that the delay was due "to the fact that we have discussed their implementation at length among all sectors within the economic cabinet."

The greatest question brought up to whom will the 8 million tons of exportable balance be sold remains. Although the minister of agriculture and livestock acknowledged that until now "few annotations exist, which only come to around 2 million tons." He, as well as the leadership of La Plata Cereal, agreed that "the Soviets will buy around 3 million tons."

As for the rest, speaking of both, there are contracts signed for a million tons with Iraq, Iran, Algeria and Paraguay and for 500,000 tons with China, "even though this amount could be increased to a million tons." Santirso mentioned.

The remaining 3 million tons would be marketed in South American countries, but according to what Fernandez Harper said, "these countries are asking for special financing conditions. In some cases we can grant them through international banks, but in others we cannot compete with what the United States offers."

Given this situation, it is likely that the prices to be obtained by Argentina with this harvest may not be the most adequate. Is it desirable to sell under these circumstances? "It is all a matter of opportunities," Santirso replied, "today Argentina needs to sell in order to balance its foreign debt, but if we were not in this situation as a matter of fact, it would be a time to accumulate reserves so we can show ourselves on the international market as a trustworthy seller with a steady volume flow."

9908

CSO 3348/157

WHEAT HARVEST YIELD CONFIRMED AT 14.5 THOUSAND TONS

Buenos Aires LA PRENSA in Spanish 6 Jan 83 pp 1, 4

[Text] Because of prospects generated by the exceptional wheat harvest, a supplementary research was completed on last 30 December to the one customarily done on the 15th of the same month. Results of the sample permit confirmation of 14.5 million tons as the probable harvest of wheat in the current agricultural planting season. On confirmation of that amount, a record will be set, surpassing the largest record obtained to date, matching the 1964-65 cycle of 11,260,000 tons.

The volume predicted would surpass that of the last harvest of 79 percent and of 94 and 87.4 percent, if it is matched against the averages of the last 5-year and 10-year periods, respectively. The estimated production comes from a cultivation area of 7,410,000 hectares, an amount equal to that of the 1980 and 1940 decades.

Yields

In the present planting season, a small proportion of the land area, it is foreseen, will not be harvested (1.3 percent) since climatic and sanitation conditions were totally unsatisfactory. The few losses assigned were in response to blight conditions and coal, as well as hailstorms which affected parts of Buenos Aires, Cordoba and Santa Fe.

Explicitly stated yields up to now have surpassed the prospects in the production sector in many cases in such a way that the average physical production at the national level would be placed at 1,981 kilograms. Such a yield would surpass by almost 500 kilograms on an average during the last 10-year period and by almost 400 on the average for the last 5 years.

Although a significant proportion of the land remains to be harvested, the status of crops planted on it permits prediction that there will be no substantial changes in the expected average output.

PROVINCE	PRODUCTION			VARIATION FROM 1981/82	
	Year 1982/83		Year 1981/82	Absolute	Relative
	Tons	%	Tons	(In tons)	%
TOTAL	<u>14,500,000</u>	<u>100.0</u>	<u>8,100,000</u>	+6,400,000	+ 79.0
Buenos Aires	9,400,000	64.8	5,100,000	+4,300,000	+ 84.3
Santa Fe	2,350,000	16.2	1,733,000	+ 617,000	+ 35.6
Cordoba	1,410,000	9.7	706,550	+ 703,450	+ 99.6
La Pampa	1,030,000	7.1	384,000	+ 646,000	+168.2
Entre Rios	200,000	1.4	98,450	+ 101,550	+103.1
Other Provs.	110,000	0.8	78,000	+ 32,000	+ 41.0

9908

CSO: 3348/157

PLANNING MINISTER DELFIM NETTO ON INVESTMENTS, OTHER ISSUES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jan 83 p 28

[Text of interview with Delfim Netto, Brazilian minister of planning, appearing on Radio Bandeirantes on 31 December 1982]

[Text] The government will not alter its decision to cut back the investments of state companies and is not troubled by the outcry of the businessmen, primarily in the area of capital goods, who have been warning in recent months about the possibility of increased unemployment in the sector, in which 40 to 50 percent of the capacity is idle. These clarifications came from Planning Minister Delfim Netto during an interview Thursday on the Radio Bandeirantes program "People."

"All the people (industrialists in the sector) are again demanding showy plans. What they want is a plan so they will know how much they can invest with subsidized government funds. But they are not going to have it," the minister said. He added: "When they complain that 40 to 50 percent of their capacity will be idle, our answer to them is as follows: This is not idle capacity, but unnecessary capacity, which you created because you wanted to..."

The minister acknowledged that the current problems in the sector are the result of overestimation, which came during a period of euphoria and in which the industrialists, the government and the bankers shared. In that program to substitute for imports of capital goods, most of the investments were subsidized.

"To give some idea," the minister explained, "a single industry received 2.8 billion cruzeiros, with a 10- or 8-year repayment period and a monetary correction of 20 percent per year. Well, this indicates that the businessman was practically given the industry as a present. The curious thing is that these same people who produced this barbarism in terms of the growth of the capital goods industry are now saying that the government has no foresight."

According to the planning minister, despite the decline in demand for capital goods by the public sector, the Brazilian economy will fare better in 1983 than in 1982, which probably ended with zero growth "or with a very slight

rate of expansion." He noted that there are several factors for expansion in 1983. Among these are foreign credit, which is now practically assured, the plan to expand exports and substitute for imports, the agricultural sector and the projects with a quick return. The high interest rates, which could inhibit economic growth, will have to be reduced to a level of 15 to 16 percent in real terms, Netto stressed. Currently, these rates are hovering around 45 percent.

Taking part in the interview with the planning minister were journalists Joelmir Betting, Salomao Esper, Alberto Tamer and Jose Paulo de Andrade.

Text of Interview

Following is the full transcript of the interview with Minister Delfim Netto.

Tamer: Good morning, Mr. Minister. In your public life have you ever had a more difficult year than 1982?

Netto: Good morning to you, Mr. Tamer, and to your colleagues. I have heard a little thread of gloom from your colleagues, and it is interesting that you have given me the opportunity to take part in this program. I have said that all years are difficult: the difficult years are the ones ahead of you, the ones behind you are easy. The year 1982 [is behind us] today. I heard Joelmir say that we have already closed the books and I would say to him that it was an easy year. Tomorrow begins the difficult year. What is happening is this: we must keep in mind that the world situation is extremely difficult. Things have been building up since 1971. The dollar ceased to be tied to gold, for whatever reason; then there was the first great monetary crisis and the first petroleum crisis, and then a second oil crisis; then came an earthquake: the rise in interest rates with the U.S. attempt to clean its own house. All this turned the world into an extremely complex system, making life very difficult for the countries. To give some general idea, we were having cash problems at the end of 1982, true, but practically all our companion countries in development, oil producers or not, had cash problems long before we did. Which proves that we were prepared. We had some reserves set aside for contingencies, but no one, no Brazilian or anyone else, imagined that what happened could happen.

Joelmir referred back there to the meeting of the Monetary Fund, when the bankers really went to a Monetary Fund meeting in Toronto and they told the personnel they left behind: Don't do anything until we return. And during a week that market completely disappeared. There in Toronto, the bankers told each other their problems, and then the market dried up once and for all, and Brazil and its traveling companions have had to go begging for these last 3 months. Many of them had to suspend their payments, which was not the case with Brazil; many of them entered, actually, into a complicated negotiation process, which was not the case with Brazil. We had some objectives to attain, using our reserves to do it, true, but I have hopes that we will attain our objectives, and fairly efficiently. We had already taken care of our balance of payments in September. To give you some idea of how difficult this world is, when I announced in Frankfurt that we had taken care of the balance of payments, we had pledges --commitments on paper, signed-- of \$1.9

billion, and to date this sum has not been released by the banks themselves, because they have been having very serious cash problems too. So I would say that 1982 was a particularly difficult year --very complicated-- a year in which the whole world is going to show a decline in product. I think Brazil will come out positive or slightly above zero growth, but we shouldn't decline. The world as a whole is declining, however, and we are a part of this world. I would like people to understand this fact. We are really traveling inside this airplane which is the world --and we cannot think we can avoid suffering its effects. Now, as for 1983, contrary to what many people are saying, my hope is that we are going to continue with our recovery. We have designed a program --an ambitious program, certainly-- to expand exports, and it is feasible, not only because the exchange policy is compatible with it but because it calls for relatively small growth in the sectors where we have some capacity to compete. On the other hand, it calls for a reduction in the cost of imports, specifically of petroleum, a reduction which we have already achieved, incidentally, thanks to the work of PETROBRAS (Brazilian Petroleum Corporation) itself. This year we are going to reduce petroleum imports by \$1.5 billion. We are negotiating to expand PETROBRAS investments, and by the end of 1983 PETROBRAS will be producing 400 barrels per day, which represents very significant support. Forgive me for taking so long to answer such a simple question.

Joelmir: Are we talking in terms of 31 March, already superceded by 31 December, or are we already in a position to control the debt for the entire year and not just for the first quarter?

Netto: This is interesting. I would like first to put the minds of the people, the Brazilian nation, at rest regarding the problem of the debt. When all is said and done, what is this debt that we have and that has become a spectre? When I was at the barber shop, 7 or 8 months ago, a fellow was talking about this miracle of Itaipu. On the day the floodgates were opened, there was national joy. There was extraordinary enthusiasm, a perfect and basic awareness of Brazil's capacity to build. This same simple man, who was so enthusiastic about that enormous gush of water, is fearful when we say that Brazil owes \$80 billion. He does not realize that 20 percent of this debt --or 15 percent, practically speaking-- went precisely for that gush of water which he saw there, that immense hydroelectric plant, the equivalent of a well producing 600,000 barrels of petroleum per day. The Brazilian must understand what we did while the market was functioning. The debts were assumed for investments, they were made for the great investments --I think some of them were too large in scope and others were in a direction that one might question-- but the bulk of the Brazilian investments, the bulk of this debt which so frightens people today, is invested in projects that are going to pay off. It is invested in the extraordinary expansion of our steel industry. True, it can be said that the steel industry reached maturity at a moment when there was no demand for it --but it is not really true because, for instance, Siderurgica de Tuberao, which will come to maturity in March, will export \$400 million in steel during 1983. Siderurgica Nacional matured, COSIPA is reaching maturity. We have a certain domestic surplus, but we already have the capacity to export almost 1 million tons of steel. Itaipu is coming of age, as we have seen, and you have seen the whole aluminum

industry mature, and it was done on the basis of some loans. Our copper industry has matured in Bahia, where the Caraiba industry will produce 120,000 or 130,000 tons of copper this year. The Brazilian must understand precisely this. We have a momentary problem paying our debt because the world itself is in difficulty, because the bankers do not have the flexibility and the capacity to finance the payment of this debt. But Brazil did not throw these dollars away; it did not hand these dollars over to anyone. Brazil invested every one of these dollars in a useful program. More than this, you who are listening to me now, and who are constantly alarmed by reports about the foreign debt, must surely know that the job you still have is largely owing precisely to the investments made with the funds from this foreign debt. What I ask of you on this last day of the year is simply that you pause for a moment and reflect. When some one talks the nonsense that has been spoken in this respect, you think: Minister, what did these fellows do with these resources in the end? And then begin to think about Tucuruí. They created three or four steel plants; they created Itaipu; they created Ferrovia do Açu. They are working on a nuclear program --which you might criticize-- and they are doing a great many other things, but all these investments were made on behalf of Brazil's growth. Now that they are coming to an end (as they are, because President Figueiredo has not initiated any new undertaking, except for Carajás), they are going to pay off. They are going to produce resources so the country can resume its growth. On this day, think of this; use your imagination a little. Whether you work in the electronics sector or as a shoemaker, if you think a little bit, you will see that a piece of your job today is because of some investment that was made some years ago, thanks to this debt. Now it is time to pay it off, not to panic at it. Why? Because it was invested; it was not consumed. The negotiation that we are attempting regarding the debt is a negotiation to give us tranquillity for a year. It involves four stages and it involves the voluntary commitment of the banks that have helped us all these years to roll over their amortizations. In other words, the banker who has a certain volume of his funds with us says: "I trust in Brazil." It involves a little more. Since we made a study and ascertained that the banks' capital will grow around 10 percent, we determined that Brazil cannot increase its debt to the banks by more than 7 percent. Then we built our balance of payments on the basis of this information. The first thing is that they must (help out) and we have had only positive answers to date. The extraordinary thing is that, the day after the meeting in New York, the 50 major banks responded that they were prepared to go along with us, and this demonstrates that the country has credibility abroad. So this part is resolved. Then we have a figure something like \$4.4 billion. We talked this over with the bankers too, and we should have a proportional participation from each bank in relation to the amount of the debt; that is, the bankers will give us \$4.4 billion according to what they are already holding, which means that the position of each banker will not change; the principal creditor will continue to be the principal creditor, the second will remain the second...

In addition, we discussed with them our short-term commercial lines, about which the wildest statements have been made, to the point that even fairly knowledgeable people believe they may have reached \$30 billion. These lines of credit, which have been maligned all along, actually have not exceeded

\$8.8 billion for many years. They have been \$8.8 billion since 1978, when the 5-year loans taken out at the end of 1973 began to come due. These lines must continue to roll over because, if we are to maintain our level of activity, the banks will have to finance our exports and imports. These debts, all of them, are credit debts, commercial debts, which should trouble no one since they are self-liquidating. The disgrace would be if they didn't exist, because then our trade would come to a stop. Finally, we asked the bankers if they would continue to support our private banking system abroad, buying certificates of deposit from these banks, helping these banks with their problems, because this banking system is financing our exports. So I would say the following: Insofar as the program we presented in New York is working out --and it is working out very well, or well enough-- we will have the problem for 1983 practically completely solved, and within 6 months we should be out of the market. In this regard, I would say that today we are relatively tranquil, tranquil for someone who lives in an extremely perturbed world.

Joelmir: Does the possibility that Brazil can continue to rely on this supplementary ration of foreign credit remove the chance of a deep recession, as some financial analysts predict?

Netto: Now you have hit on a key point, a basic point, and I feel the Brazilian nation is being unnecessarily alarmed. Our understanding with the International Monetary Fund, as everyone will see when our letter to the fund is published, and when it is sent it will be made public here in Brazil, is for a coherent economic policy program, a program in which the accounts are closed. It has nothing to do with the fund's position whether there will be a recession, which would be nonsense. What frightens us, what leaves me cold, is to see how, even last night, some individuals who are economists and should know, were saying that we are trying to bring about an adjustment by means of a recession. On the contrary, the adjustment is being carried out through a 3-year program to increase exports, which is an expansive phenomenon, and to increase substitutions for imports, which is also an expansive phenomenon. In the same way, agriculture will be expanded. The replacement of imported energy with domestic energy will be expanded. This is already fully underway, thanks to the export contracts which we demanded from SIDERBRAS and INTERBRAS [Brazilian Iron and Steel Corporation and PETROBRAS International Trade, Inc.], which they will negotiate between themselves. This is necessarily expansive. If you look at the petrochemical program, in which we are preparing for exports amounting to more than \$400 million, it is necessarily expansive. There are some sectors that are very powerful, and they are really trying to upset the Brazilian economy. These sectors --basically the capital goods sector-- have received huge benefits. It is the sector with competent people, the sector of the great Brazilian businessmen, the sector with undoubted ability, and also with excessive, unrestrained budgets, but this sector has problems, first because it cannot compete abroad. For all its competence, it is still not up to this competition. Second, the world is in a depression, a recession, and it is not importing capital goods. Third, there is immense overextension there. What I am saying is this: based on simple calculations made and not contested to date, which we have even discussed with them, we have at least twice the installed capacity that we should have for capital goods. How was this possible? It was the result of the general enthusiasm in which all of us, Brazil, them, the banks, the whole world, shared, and an extremely

ambitious program was drafted to substitute for imports, based on expansion of the machine industry, the capital goods industry. Well, the expansion was achieved, and could only be achieved, thanks to the huge subsidies it received. To give some idea, a single industry received 2.8 billion cruzeiros with a 10-or 8-year repayment period and a monetary correction of 20 percent. Well, this indicates that it practically received the industry as a present, and it was expected that when it went into operation, in 1983 or 1984, the market would be different. The curious thing is that these same individuals who came up with this barbarism regarding the growth of the capital goods industry are now saying the government has no foresight. Well, my God, they were the ones, together with the government, who joined in an absolutely astonishing program, unprecedented in the world, to make Brazil self-sufficient in capital goods. They are the ones who are now making demands, who are demanding that the government control the level of activity of these companies so they will not suffer any greater difficulties. I have the greatest understanding for them, including understanding of this human contradiction which they are the prisoners of. They are the ones who demanded the plans, they were caught in the snare of the plan, they are the ones who asked the government for a larger investment program; they produced what is there now by means of a whopping investment program. Now it is necessary to calm the public. The people must know the error was committed, the mistakes, because they must be corrected --we cannot persist in them. The people must know that most of the 1983 adjustment will fall on the government sector and not on the private sector. The people must know that in 1983 there will be more jobs than in 1982, and here I would like to call something to your attention: What is predicted for Europe in the coming year? Unemployment of 35 million! At the height of the Brazilian crisis in 1981 we had 230,000 to 240,000 unemployed, and today they are being reabsorbed, thanks to a slow growth. Let us continue along the same line. Do not think that Brazil is an unimportant country; Brazil is the seventh-largest industrial country in the world. So if this is happening in Europe, if you have obvious unemployment there and in the East, even in Russia, you are seeing Poland and other countries in the eastern world also struggling with difficult balance-of-payments problems, with unemployment... You see the same problem in China. Just last night I heard an explanation that only referred to the capitalist model. In other words, the idiot really believed that some alternative exists, that if the economic model were changed, everything would be different. Well, my God in heaven, I ask you, patient listener, imagine: if there were such a simple answer, wouldn't the government be the first to use it? Think a little bit any time some one comes up with such nonsense and use your head for a moment. Could it be that the answer is so simple that men do not see it? Is it possible that the solution is so elementary that the English, muddleheaded, continue to fight this battle, and the Germans, with that well-known Teutonic efficiency, cannot resolve a problem as simple as this? And the Japanese, who revolutionized the world, are at the point of declaring an economic emergency. Think a little, and you will see that the solutions are much less simple than the ones being suggested. I would like to avail myself of this program (Radio Bandeirantes' "People") to say that you can rest easy, you can be calm, you will suffer less than all the others. The whole policy will be designed to create more employment. Even when we talk about modifying the wage policy, it will be done the same way. But it will not be done in a way to take the 6-month adjustment away

from you, which President Figueiredo gave you, against the vote of the opposition. You remember that? Have you forgotten that? It was the PMDB [Brazilian Democratic Movement Party] that voted against that law. The PDS [Social Democratic Party] supported it. We are not going to meddle with the 6-month adjustment. We have to make some adjustments with regard to productivity. Why? Precisely to provide more employment. You who are listening to me know that your concern today is not so much the International Monetary Fund, or the foreign debt; it is your job. You know that this law is very much in the interest of those who have jobs, but it is very cruel to those who are unemployed. You know, however, that when the correction comes it will be in the sense of creating more jobs.

Joelmir: You have talked about the positive factors that dispel the spectre of a recession, such as the maintenance of liquidity from the outside in, increased exports, which is expansive, substitution for imports, which is expansive, agricultural development, which is expansive, projects with a quick return, which are also expansive. Now, from the standpoint of depression or recession, some businessmen, mainly those in the capital goods industry, feel there are two inhibitors for 1983: the cutback in investments in state companies, with a reduction in public expenditures in general, which is also a sound measure but is recessive; and the continued high interest rates in the free credit market as long as it seems justified.

Netto: Well, I will attack the two problems separately. First, I will talk about the recession problem. The cuts to the state companies are necessary because today we have a huge deficit. Now, think a bit: How is this deficit financed? There is no way to perform miracles. If some one has spent more than he earned, he has only two ways to handle it. He can go to the government to manufacture money. That is, if he goes to the government and fabricates money he is robbing you, because he gets the money and buys the goods that you should buy with your wages. Since he buys "up front," prices go up and your wage is worth less. So you buy less, and the currency emission is thus a disguised form of taxation. Now this would be one way to finance the deficit of the private sector, or rather, the public sector. Now, what does the man in the capital goods industry want? Do just this: issue the money and give me the order. Well, if I issue the money and give him the order --say, for a lathe, a milling machine, a turbine-- this order is going to be filled, thanks to you, who have stopped consuming --thanks to you, whose resources have now been taken away through heightened inflation, by issuing more money. Don't be fooled when they say they are thinking about your job; they are thinking about their orders, which can only be financed through a reduction in your consumption. It is clear that if they had no more orders, there would be unemployment in that industry; they would have to lay off 10,000 or 15,000 or 20,000 workers, but since other sectors are expanding, they could be absorbed. The second means of financing would be by taking out domestic loans. Now, I could take out a domestic loan and pay for the capital goods I have bought. Well, this is what pushed up the interest rate; this is the reason for the very high interest rates. To maintain the level of expenditures in the state companies, you maintain a public debt with a very high interest rate. What happens then? Those who have the money buy the notes and gain a certain income. Those without resources, or the small

company, begin to suffer from the weight of the high interest rates, and this firm cuts back its activities. He limits his activity precisely because that fellow who was able to impose his point of view by shouting the loudest got the order. Now, pay attention. When the fellow says that employment will fall off because the capital goods industry will continue to have 40 percent of its capacity idle, he is trying to sell you a bill of goods. He is saying to you: Give me 100 percent financing(?) and I will add 20,000 or 25,000 or 30,000 jobs. In compensation, you will not be able to consume, because the money to fire up the furnace is yours, and the government is going to collect it from you. Or else he is saying: You pay a little higher interest rate so I can have the capacity to produce twice as much as necessary. Well, I dare say that they do not have any idle capacity; they have capacity that cannot be used without reducing the consumption of those of you who are listening to me now, and reducing the production of the small manufacturer. Why did they expand beyond the state revenues, and hence have to be financed with the people's money, money that belongs to the people, not to the government, because the government does not have the resources? This discussion is beginning to become increasingly blunt. I have my style of speaking because [although] it is making people sad, we have to dot the i's. All these people are talking and demanding showy plans again; they are all saying: "We don't know what is going to happen in 1987." What they want, precisely, is a plan to tell them how much they can invest with government funding, with subsidies continued until 1987. When they complain that 40 to 50 percent of their capacity will be idle, my answer is this: You have double the needed capacity, so what you have is not idle capacity, it is unnecessary capacity; it is capacity which you created because you wanted it, because the country could never consume that much, except under the conditions that you imagined would be achieved: growth rates of 11, 12, 13, 14 percent annually.

So it is necessary to understand this: there will be no recession; the capital goods industry will go on producing at about the same level. The industry will not see any increased demand, unless it can manage --something we are making a little effort to achieve-- to get into the foreign market, with the necessary and justified help that we will give it. The second point Joelmir mentioned is a critical point. It is the issue of interest rates. We are really going to lower interest rates to levels more compatible with an expanding economy. I have hopes that, in the 11 January session, we will be able to offer the nation a coherent, tidy, well-defined plan to reduce the interest rates. And this program will be successful in 1983. We will be helped greatly, too, by expanded production of consumer goods, of export items, which today are the key to our development. The interest rate is really too high. It is incompatible with the functioning of an intelligent system and we are going to correct it.

Jose Paulo: Mr. Minister, how did you receive the 10 points presented by the banks and financial institutions? Has the government officially acknowledged the document yet?

Netto: No, we have not taken official note of the document, but I think we can really begin with something like this --we certainly cannot end the year with real interest rates much beyond 15 or 16 percent.

Jose Paulo: Mr. Minister, we already have the rate of inflation for 1982: 99.7 percent -- but some indicators went to 3 digits: the consumer price index and production costs. How do you feel about ending the year with this rate?

Netto: I think we are oscillating, Brazil's inflation is oscillating around 100 percent. If you notice, everything is growing 100 percent. Wages rose 100 percent, all the prices ended up rising 100 percent. We have to break this vicious circle. I will say more: this is the year when they said inflation would double, that inflation would reach 150 percent, 170 percent, because the government embarked on the election process. Inflation is slightly higher than last year and now it is going to go down. Certainly, this is a very high rate of inflation; it throws the system out of kilter. There is no doubt of it: everything is around 100 percent -- wages, prices, food, everything. The rate of monetary correction is around 100 percent. Everything, so that, clearly, we are not in a position to reduce this without hurting anyone, because it is as if you had a balance at 100 percent -- which is an overstatement.

Salomao: Mr. Minister, this is a historic morning. Your statements, more than ever, are moving, impressive -- not that you have skirted the truth. This morning you are speaking from the heart. For us, this is a historic moment because our criticism has not been aimed at the merits of the political statements of the government. We have sometimes deplored here the lack of sincerity, of frankness. The government denies something and is tripped up by the facts the next day. We would always like to have the government pride itself on giving correct information. The minister said himself the other day, he would rather have his credibility marred than Brazil's credibility and that, for this reason, in the interest of national security, he could not say ahead of time that we were going to the IMF. People ask how far the minister should go in exposing himself to this criticism. Time after time, his colleagues in the government have denied things which came about the next day.

Netto: I think this is a very sensitive issue. In this problem of credibility, there are things that can be told and other things that can only be done first and then talked about, not in the interest of national security, but primarily in the interest of the parties involved. Let us say, if I am going to make a change in the income tax which involves the possibility of some manipulation, it is natural that I will do this through a decree law, and then send it to congress for debate. In the case of the IMF, which was the most dramatic case, in which people felt the government had first issued a denial and then had gone to the fund, and that this was a bad thing, there is a great lack of understanding here. We could never have said that we thought we would have to resort to the IMF in December. If we had said one word about this, if we had indicated the slightest doubt when we responded to questions, the movement of capital would have tightened up the same day. Imports and exports would have fallen that very day, because people would immediately have thought there would be an exchange devaluation. It would have been a disgrace. In no country in the world, nowhere, will you hear an announcement that someone is going to seek help from an international organization. The nation hears about it afterward. There is an acceptable criticism, related to what you are saying,

which is as follows: "We do not know what was agreed to." This is a valid criticism. You don't know what we agreed to because the letter has not been delivered yet. It is a mistake to think that the IMF could come here and say: Do this, do that. No, the Brazilian program was already drafted in October and was fully publicized as were the decisions of the National Monetary Council. When the note is sent, everyone will understand that it is simply a reaffirmation of the continuation of this program. Now, there are other things: for instance, I don't know what the price of gasoline will be. Imagine if you could anticipate the price of gasoline. You can't. Huge lines forming, with general inconvenience. More serious, some people are even convinced I am sadistic enough to spring gasoline prices on them by surprise, and what's more, that I am the one who sets the price of gas. Well, think a bit. Gasoline is going up today because everything is going up, because the exchange rates are going up. Gasoline prices increased by precisely 98 percent during the year --the 100 percent that your colleague referred to. If you ask Cesar Cals, or General Oziel or me: "Minister, what about tomorrow, day after tomorrow?" I will say I have no idea. I do not know what is involved. Why? Because I know and you know what happened in Sao Paulo the first time we tried to give an answer about the increase in the gas price. The city of Sao Paulo was paralyzed. The gas stations had lines 2 and 3 kilometers long. Unfortunately, there are not other mechanisms. This is why I said I would rather damage my own credibility than cause trouble for anyone.

Salomao: This is the whole problem. People keep wondering if the minister will still have the trust of the people, the working masses, when he announces that he won't tamper with the half-yearly [wage readjustment], and on repeated occasions that the government cannot reveal, he is forced to lie to them several times a year.

Netto: No, not here. Here you have a commitment. This is different. Here you have another kind of commitment. It was President Figueiredo who established the 6-month period. This is basic. He was the one who sent the bill to congress. It was the PDS which led the battle for its approval in congress. There will be no change in the half-yearly adjustment. What we are seeking is a mechanism to correct the way we calculate productivity; that is, we cannot have an increase in real wages that is much higher than the increase in productivity. It is not just here. People think this is only something here in Brazil, but this is not the case. In Germany, prices went up 6 percent and wages 4 percent. In France the socialist government froze prices and wages, and the prices went up, the wages did not. In liberal England, there was an agreement that wages would go up slightly less than prices, and now, in the socialist Spain of Gonzalez, we are about to see the first measure under study pertaining to wages. I would announce it to you if I were indiscreet. What happened in Sweden, in Russia? See if, in Russia, there has been a wage increase inconsistent with an increase in productivity. This would be worse than rank heresy. Nonsense like this would not enter the head of a Russian. In the United States you see the automobile companies banding together to reduce the nominal wage. In Japan, they froze wages, and reduced all the wages 5 percent at the same time, so as not to change the distribution. This is what we have to change. Not the 6-month adjustment but

the problems it tends to cause. It caused problems when it was applied, and they were expected. We are not going to change this. If we do, you have every right to call me a liar.

Jose Paulo: You are talking about the rate of productivity in countries where wages increased less than the rate of inflation. Is this going to happen here in Brazil?

Netto: No. In Brazil we have done it this way. Wages have increased considerably more than the rate of inflation. It is best if you can manage to have the two rise together.

Jose Paulo: Will this be likely?

Netto: We are studying precisely this: wages going along with the rate of inflation; in other words, making wages really neutral in relation to inflation, so you can have a looser policy with regard to inflation. We don't want to reduce real wages. We want to increase employment. Every government program is directed toward increasing employment, and the worker should not fool himself about this. Today, anyone who has a job is all right, and anyone who is not employed is in real trouble, and there has been a huge turnover. The wage law is partly responsible, and there is no point in hiding this from people. People know intuitively that this is the case.

Salomao: Mr. Minister, the sense of our question was this. We have already observed that concealing the truth hurt more than the truth itself. No matter how harsh, no matter how bewildering, no matter how much the people have to sacrifice, the public is more willing to bear the truth than to find out that the government's allegations were lies. In other words, the people's confidence in the government should never in any way be destroyed. This is why I have been somewhat insistent on this question. We don't want to be all honey with the minister, in unconditional surrender, when, on examination, people are forced to wonder daily at the behavior of the ministers, President Figueiredo's assistants. This is why I have made a point today of persisting in this same vein, in order not to commit the same sins that I am accusing the president's distinguished colleagues of. I have been very pleased to have you here this morning. [You have been] very frank, very sincere, and have stated your position well.

Netto: You may be certain that nothing like this is happening. Now, just to finish it off, the only evasion I am against is tax evasion.

Jose Paulo: That's pretty rash, isn't it?

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DIPLOMATS DO NOT FORESEE RENEWED ARGENTINE ACTION IN FALKLANDS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jan 83 p 9

[Text] Diplomatic circles in Brasilia were not very impressed with the official New Year's message of the Argentine Air Force, according to which "the southern archipelagos" will be recovered. In diplomatic circles, this announcement was understood as a way of "satisfying Argentine public opinion, 150 years after Great Britain took the Malvinas." No one in Brasilia seriously believes that the Argentine military can launch, at short or medium range, a new venture in the archipelago after the humbling defeat suffered in the first half of 1982.

In his year-end message, Brig Gen Augusto Hughes, commander of the Argentine Air Force, said his branch "renews the promise to recover our southern archipelagos." He observed that today marks 150 years after the "English usurpation of our Malvinas Islands." The officer stressed that the struggle for the islands is supported by "our dead heroes, in eternal vigil for sovereignty, from their graves on the islands or in the depths of the Argentine Sea."

Diplomatic sectors in Brasilia believe that, after the military fiasco, the only recourse left to Argentina is peaceful negotiation through diplomatic channels. Incidentally, this position is fully backed by Brazil, which has supported the Argentine claim since 1833 when Great Britain took the islands by force. The Figueiredo administration hopes this claim will be recognized through diplomatic negotiation. To this end, Minister Saraiva Guerreiro is pulling the ear of Margaret Thatcher's government. He declared: "The controversy is not over, it is continuing. It has been transferred to a political-diplomatic plane. We have said that one of the parties cannot simply decree that the controversy does not exist. There must be a negotiation and the outlines of a solution."

Full Support

Brazil offered its full support to Argentina in this new stage of the problem, initiated practically on the day following cessation of hostilities. This stage provides for diplomatic discussion centered in the United Nations. In that forum, a draft resolution was presented which at first was an isolated idea of Mexico, but soon became the proposal of the Latin American bloc in that organization.

On that occasion (opening of the UN General Assembly in September), the Figueiredo administration first consulted Argentina regarding its opinion of the Mexican proposal. As Buenos Aires thought the Mexican proposal was "a good idea," Brazil immediately backed it. The draft resolution was supported by a wide majority when it was presented for discussion and approval in the United Nations.

Also in the OAS General Assembly, held at the organization's headquarters in Washington, Brazil added its vote to those who supported the draft resolution in favor of Argentina's right to sovereignty over the Malvinas.

More recently, Itamaraty vetoed a desired visit by British Prime Minister Margaret Thatcher to Brazil. The foreign office felt that the head of the British Government represented a symbol of Britain's resistance to Argentina's military invasion of the islands and feared that the Bignone government might not look favorably on the planned visit.

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INDIVIDUALS CHARGED WITH ATTENDING PCB CONGRESS NAMED

Rio de Janeiro GAZETA MERCANTIL in Portuguese 14 Dec 82 p 5

[Report by Matonio Gouveia Jr, from Sao Paulo]

[Text] Yesterday in Sao Paulo, the DPF (Federal Police Department) arrested 86 individuals who were holding a meeting in the headquarters of the newspaper VOZ DA UNIDADE, in Praça Don Jose Gaspar in the city center. According to an official note released by the DPF, the arrests, conducted with great police fanfare, were made because the participants in the meeting were "delegates from several states and members of the Central Committee," who were holding the "Seventh Congress of the outlawed Brazilian Communist Party (PCB)."

At the request of police captain Marco Antonio Veronezzi, the Military Court ordered the preventive arrest of Giocondo Dias, Almir Mattos, Moises Vinhas, Teodoro Melo, Salomao Malina, Regis Fratti and Lindolfo Silva -- all former exiles. On their return to Brazil in 1979, they signed notes to the press representing themselves as members of the "Collective of Communist Leaders."

By the end of the night, most of the others who had been arrested were released, after they had been identified by the Federal Police delegacy. However, all of them were ordered to return within 10 days to give depositions in the police inquiry initiated by the DPF, which according to the official note, charged the participants in the meeting under Article 40, Law No 6,220/79, known as the National Security Law. This article prohibits the reorganization of a political party which has been officially dissolved, as in the case of the PCB, founded in 1922 and dissolved by decree in 1948. If convicted in the Military Court, the participants are subject to sentences of up to 6 years in prison.

However, the meeting participants deny that they were holding the Seventh Congress of the PCB, or even that it was a Communist Party meeting. Although he admits he is a communist, physician David Capistrano Filho declared that the meeting was only a "VOZ DA UNIDADE conference to discuss the issue of communism in Brazil and the communists' right to have a legal party." This was reiterated by former State Deputy Luis Tenorio de Lima, who was elected councilman in the state capital last October. Banker Armando Zilli was more explicit. "We were discussing how to achieve legality for the PCB." He added

that this desire is shared by all the participants at the meeting, who, according to Zilli, "wish to petition for the legality of the Communist Party."

Attorney Ybere Bandeira de Mello reported that he intends to post bond today in the STM [Superior Military Court] in Brasilia to obtain the release of those whose arrest was ordered by the Military Court.

List of Arrested

Celia de Melo e Moura, Antonio de Costa Gadelha Neto, Yara Lucia Brayner Mattos, Izabel Maria Borges Ribeiro, Eucaris Almedia Bogosian, Moises Vinhas, Alice Aparecida Duarte, Sara de Mello, Noe Gertel, Jose Xavier dos Santos, Luiz Pereira Ruiz, Alon Feuerwerker, Marco Antonio Mori, Luis Gonzaga Freira, Claudio Garcia Capitao, Hans Heins George Werfek, Valmir Neme, Cloter Saldana Mota, Romilson Brito de Souza, Adalberto Timotio de Silva, Jose Carlos Augusto, Raimundo Antonio de Costa Jinnkings, Fued Saad, Paulo Elisiario Nunes, Abelardo Andrade Caminha Barros, Valter Frigeiri Junior, Luiz Tenorio de Lima, Onofre da Costa Lima Filho, Jorge Franco Santana Machado, Gildo Marcal Bezerra Brandao, Armando Marques Sampaio, Regis Saviato Frati, Givaldo Pereira de Siqueira, Zuleika Alambert, Ildeberto Muniz de Almeida, Amenio Guedes, Joao Guilherme Vargas Netto, Dinarco Reis, Luciano de Freitas Pinho, Luiz Carlos Moura, Diogene Sandim Martins, Ubiratan de Paula Santos, Marco Aurelio de Oliveira e Silva, Expedito Oliveira Rocho, Marcelo Veiga e Santana, David Capistrano da Costa Filho, Frederico Pessoa da Silva, Paulo de Santana Machado, Luis Oliveira da Silva, Arnaldo Goncalvez, Carlos Alberto Muller Lima Torres, Yukitaka Mito, Ivan Martins Pinheiro, Hercules Correa dos Reis, Flavio Coswig, Domingos Roberto Toderro, Evaldo Lopez Goncalvez da Silva, Jose Paulo Netto, Paula Arruda Villar, Jose Arcolino de Silva, Sergio Henrique Bacellar Freudenthal, Sergio Augusto de Moraes, Luiz Carlos Azedo, Jose Raimundo da Silva, Armando Ziller, Fausto de Lima Nogueira, Eldir Pena de Oliveira, Sebastiao de Sa Figueiredo, Agenor do Nascimento, Antonio Ribeiro Granja, Francisco Inacio de Almeida, Flavio Borges Botelho Filho, Miguel Pinto da Magalhaes, Sandor Jose Ney Rezende, Wellington Dantas Mangueira Marquez, Hermano de Paiva Oliveira, Julio Cesar Ramalhos Ramos, Marcos Cardoso Filho, Jose Alvez de Brito, Wilian James Mello, Amaro Valentim do Nascimento, Newton Carlos Kazuiro Oryta, Hilario Goncalvez Pinha, Takao Amano, Thomas Jose dos Santos, Angelo Joel Del Matto.

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FLAG RAISED BY EXPEDITION UPON ARRIVAL IN ANTARCTICA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jan 83 p 13

[Text] EBN [BRAZILIAN NEWS COMPANY]--After touching the soil of Antarctica for the first time--and raising a Brazilian flag--the first Brazilian expedition to Antarctica left the Polish base of Arctowsky in Admiralty Bay, King George Island, departing late last night for the Soviet station of Bellingshausen, 20 miles away. The historic moment of raising the national flag occurred at 1925 hours the day before yesterday when the commander of the polar ship "Barao de Teffe," Navy Captain Fernando Pastor, accompanied by the group's scientific coordinator, Eugenio Neiva, and the Itamaraty [Foreign Affairs Ministry] representative, Luis Soares Guimaraes, disembarked from a small rubber boat on a beach covered with pebbles and blocks of ice and populated by flocks of penguins.

The Brazilians were welcomed by the chief of the Polish scientific station, researcher Rysbard Wroblewski, and after the reception the group walked about 200 meters and, in front of three flag poles, two of them flying the flags of Poland and the United Nations, the Brazilian commandant presented a Brazilian flag to the station chief. Then, in the presence of photographers and movie cameramen, the two men raised the national flag. In the background, anchored 500 meters away, the "Barao de Teffe" sounded its whistle continuously. On the ship, several scientists and crew members watched the activity on the beach through binoculars, and had tears in their eyes.

A few minutes later, now in the main part of the base, the Brazilians took off their heavy cold-weather gear (the temperature was 2 degrees above zero) and were warmly welcomed by eight Poles, four Americans and two Germans. There were also two newsmen, one photographer and two movie cameramen, all Brazilians, present, as well as the pilot of the boat, Corporal Milton Bastos Dyna. The hosts served tea, coffee, beer, vodka, cold cuts and lettuce-and-tomato salad (grown in a hothouse), while the commandant of the Brazilian ship presented a bottle of Brazilian sugarcane brandy and a letter written in English and Portuguese. "You are welcome to the Antarctica family," said the Polish chief.

"The first impression was really marvelous," replied Captain Pastor, in thanking them for the reception. Then, seeing a picture of Pope John Paul II hanging on the wall, he added: "Upon seeing the picture of the best-known Polish personality, I thank God for being here." They ended up arranging for a luncheon and dinner of Brazilian dishes on the ship "Barao de Teffe" yesterday. On that same day the entire ship's crew visited the Polish station, leaving at 2300 hours for the Soviet station.

USP Ship Delays Departure from Argentine Port

The oceanographic ship "Professor W. Besnard" left the Argentine port of Ushuaia yesterday, headed for the southern peninsula. It will take 3 days to cross Drake's Passage and then arrive at the point where the scientific studies will begin at about 65 degrees south latitude. Essentially, this work will involve studies of the biomass and krill, a shellfish similar to a shrimp and of great protein content. Studies will also be made of the environment and the formation of underwater plant life in the region of the Dransfiels Strait, besides weather observations for the guidance of future voyages.

Yesterday the ship's captain, Adilson Luiz Gama, granted an interview to EBN, with the aid of EMBRATEL [Brazilian Telecommunications Company]. He said the trip had been calm, as the weather was good for 90 percent of the voyage--only near the Strait of Magellan did the wind blow stronger, but even so without problem.

Captain Gama said the departure of the "Professor W. Besnard" had to be delayed because it needed a pilot to guide the vessel in departing from the Beagle Channel, inside which is the port of Ushuaia. "Piloting here is binational," he recalled, "and as we arrived ahead of schedule, the pilot who was to help us, a Chilean, arrived late."

Adilson Luiz Gama described climatic conditions yesterday as good, with a clear sky, unrestricted visibility and temperature of about 15 degrees above zero, which will fall to 7 degrees above zero during the night. "The crew as well as the research personnel are very enthusiastic, and are only eager to begin work." In ending the contact with EBN, the captain declared: "What we are doing here is representing the Brazilian nation and we hope that through our work Brazil may have a more active voice among the countries involved in Antarctic development." The weather in the area where the USP [Sao Paulo University] ship will operate changes constantly, although at this time of the year the southerly winds are gentler and the temperature varies from 2 degrees below zero to 3 degrees above.

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PMDB PRESIDENT VIEWS PDT-PTB UNION, IMF, DIRECT ELECTIONS

Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Dec 82 p 4

[Interview with Ulisses Guimaraes, president of the PMDB [Brazilian Democratic Mobilization Party], in Brasilia by Marcondes Sampaio: "Despite Economic Crisis, Ulisses Stresses Politics"; exact date not given]

[Text] Brasilia--Despite the serious economic crisis, PMDB president Ulisses Guimaraes wants to continue the struggle for new advances in the political field, especially reestablishment of direct elections for president of the republic. He believes that only "an end to arbitrary rule" can extricate the nation from the economic difficulties generated by the current development model and avoid further crises in the future.

This is the position Ulisses took in an interview granted FOLHA DE SAO PAULO on the very day the air minister was urging both the opposition and the PDS [Social Democratic Party] to dedicate the year 1983 to the nation's economic recovery, "in the same way that they dedicated themselves this year to the return of democratic normalcy."

Ulisses Guimaraes also sought to refute the criticism that PDT [Democratic Labor Party] leaders have made of his party, according to which, since the 15 November election, the PMDB--under the leadership of Tancredo Neves, the new governor of Minas Gerais--has been taking a conciliatory position toward the central government. Ulisses promises that the PMDB will continue acting in a manner consistent with its program and faithful to the commitments made to the oppositionist electorate in its public statements.

Although he does not think there are any congressmen inclined to leave the PMDB--especially in view of the party's popularity with the public--the opposition leader said "the doors are open to anyone who wants to leave." However, when told that Deputy Elquisson Soares intends to introduce a constitutional amendment permitting congressmen to change parties without losing their

mandates, Ulisses changed his tune, warning that "the party must have some means of control to assure party discipline."

The PMDB president deplored the delay in forming an oppositionist bloc and acknowledged that, as a result of PDT and PTB [Brazilian Labor Party] indecision about this idea, it is very difficult at this late date to launch an oppositionist candidate for president of the Chamber of Deputies.

The full interview with the PMDB president is as follows:

FOLHA [DE SAO PAULO]: How do you feel about the indecision of the PDT and PTB about organizing an oppositionist bloc in the Chamber of Deputies to act as a congressional majority?

Ulisses [Guimaraes]: I regret this delay. It would have been very good politically for the opposition parties if we had already formed such a bloc, if only so we could act together in the choice of the chamber's officers. Odacir Klein will be here on 6 January for a final effort: we have to make up our minds about this matter immediately. We should like to decide about the chamber's officers in accordance with the other opposition parties, but they must come to an understanding with us. If we are going to act together, we have to decide which offices will go to which parties.

FOLHA: Do you still see any possibility that the opposition will have its own candidate for chamber president?

Ulisses: I must admit it will be very difficult, inasmuch as we haven't even formed the bloc yet and the election of officers will be held a little over 1 month from now.

FOLHA: It was reported last week that not launching an oppositionist candidate is part of a broader posture that the PMDB has been adopting, in the sense of avoiding initiatives that could be interpreted as confronting the government. What do you think of that report?

Ulisses: It isn't true. From the beginning we have definitely wanted to form the bloc. I, as party president, and leader Odacir Klein have made many overtures for that purpose and public opinion will bear that out. The fact is, we have not been able to do the basic thing--to establish the opposition bloc, which would make it possible to control the chamber at all levels. We are still open to discussion, we don't want to act unilaterally, but the fact is the officers must be elected, and this presupposes discussion.

'We Contend the Current Model Is Grossly Unjust and Must Be Changed'

FOLHA: How do you view the proposal for uniting the PDT and the PTB, as well as the statements by PDT spokesmen that also extoll the appeal that a broadened labor party would have for "the more rational PMDB congressmen"?

Ulisses: If they want to merge or have an agreement, it's their problem. It's a decision each party is free to make. But I don't think PMDB members are going to

accept the proposal. I don't think a nationally-established party such as the PMDB, a growing party, will lose members. On the contrary, we are constantly getting proposals for affiliation with the PMDB; but at the same time the doors are open for anyone who wants to leave. It is a decision for each person to make and take responsibility for; but, again, I don't expect it.

FOLHA: PMDB Deputy Elquisson Soares has announced that in March he intends to introduce a bill altering the principle of party loyalty so that deputies may change parties without losing their mandate, as is now provided by the constitution. This deputy believes that if the PMDB enters an era of collaboration with the federal government--as, according to him, the governor-elect of Minas Gerais, Tancredo Neves, intends to do--many PMDB members will leave the party, himself included.

Ulisses: He hasn't said anything to me yet about this bill. If it is introduced, the party will study the matter and take a position. Without meaning to sound threatening or to disparage a deputy's mandate, the party has to have some means of control to assure party discipline. Personally, I think most deputies won their seats through the parties, due to the law requiring linked voting, and this should be taken into consideration when making the decision.

FOLHA: And how do you view the persistent criticism by PDT representatives such as Senator Roberto Saturnino, according to which, with the victory of several governors, the PMDB became another UDN [National Democratic Union]--a liberal party, a party of the center?

Ulisses: Senator Saturnino was a member of our party for many years. He was one of the party's respected voices. Society does not view the PMDB as he now views it. Society sees the PMDB as a party of social content, a party of change, which precisely for this reason has received the support of the vast majority of the Brazilian population, who are the real victims of the injustices of the current development model. That is borne out by the ballot box. If the PMDB were a conservative party, if it were not a reform party, it would not have received the approval it has from the people in one election after another. We led the PDS by over 8 million votes nationwide. And that is not all: we now represent over half the Brazilian territory, about two-thirds of the population and 75 percent--in this case, the opposition as a whole--of the national gross domestic product [GDP]. That is what society thinks of us. If, especially in the states with most of the GDP, the party's platform had the support it had for its proposals for change, it is because the people believe in our reform proposals.

FOLHA: Then you accept the definition of some of your members who see the PMDB as a party of the center-left?

Ulisses: I think the word "left" or the expression "social party" lead to many misunderstandings, but what I mean is that the PMDB is a party concerned about social injustices, that wants a greater distribution of wealth, a party that believes the current model to be cruelly unfair and impossible to retain as is. The PMDB development proposal is directed to the domestic market, to the need for providing more purchasing power for the great majority of the population excluded from the current model. It is necessary to have an economy for the poor. We have always had a megalomaniacal economy. The trademark of our model would not be Itaipu but would be, for instance, investments in the sectors of health and education.

FOLHA: Thus far you have been referring to the pre-election PMDB, but the criticisms made by the PDT are directed mainly at the post-election PMDB, which they say has adopted a conciliatory posture in relation to the central government. The PMDB is said to have changed since the election.

Ulisses: But that is incredibly hasty. Our governors and congressmen haven't even taken office yet. What are such criticisms based upon?

FOLHA: Upon the statements of the majority of governors-elect, especially those of Dr Tancredo, but also upon the attitude of Gerson Camata of Espirito Santo (who apologized to the president for criticizing him) and Gilberto Mestrinho of Amazonas (who even said he is not of the opposition).

Ulisses: The conversations I had with the governors-elect were to the effect that at the administrative level they will do what is necessary to govern but at the political level their action will be guided by the party platform. Those are the facts. Various versions making the rounds and statements made by others are a different matter.

FOLHA: Two points made by Senator Tancredo Neves that have bothered many PMDB members are the support he gave for going to the IMF and the idea of presenting a candidate of consensus between the PDS and the opposition for president. Wouldn't this contradict the PMDB platform, which favors direct elections for president?

Ulisses: I have had repeated conversations with Governor Tancredo Neves and I find in these conversations an intention to adhere to the platform and a profound concern for the nation's economic and financial situation. And he puts the blame for this on poor administration of public affairs and contends that such problems should be faced through a constant exchange of ideas, but he as well as all those elected are willing to wait for the party decisions that will be adopted at a meeting the party's Executive Board will hold in January. We have already made our first declaration against the IMF, adopted unanimously by the Executive Board, of which Tancredo is a member, but we are going to study the situation more closely at the meeting in January.

FOLHA: When you say you have spoken repeatedly with the governor-elect of Minas Gerais, isn't this an clear indication of the party's concern about the positions he has taken?

Ulisses: No, absolutely not. I have spent more time talking with Senator Montoro. Not a day passes that we do not talk together, either personally or on the telephone, for the simple reason that we are in the same city. If I have conversed frequently with Senator Tancredo Neves it is because he is the future governor of an important state and also because he has been to Sao Paulo, making it possible to take up the conversation where we left off.

'Without End of Arbitrary Rule, Crisis Will Not Be Resolved and There Will Be Others'

FOLHA: What do you have to say about the proposal that General Figueiredo's successor be chosen by consensus between the two political parties?

Ulisses: I haven't heard that from Governor Tancredo Neves. I know nothing about it. My contention is that our commitment is to direct election. We are going to fight to democratize the nation on the national level also. If the people can elect the mayor and the governor by direct vote, the president should also be chosen in direct elections. We are going to organize all our rallies to support this throughout the nation.

FOLHA: What does the PMDB intend to do about the economic crisis when Congress reopens in March?

Ulisses: I have discussed the crisis with economists in Sao Paulo and in other states. I am supplying myself with studies and interpretations that will guide our statements in Congress. In any event, we have already expressed our disagreement with the humiliating and harassing manner in which negotiations with the IMF have been conducted. I am president of a party that has over 200 federal deputies and now 9 governors, but information about the economic area has always been concealed from us. Meanwhile, there are lower-echelon functionaries that have access to the whole situation which has impact on the nation's social situation. We do not accept that.

FOLHA: Despite your objections, there seems to be a consensus about the need for a common effort by society to seek solutions for the crisis. It is the formulas that vary, from the idea of more direct collaboration with the government to those that advocate a merely critical attitude so that society may be aware of the need for profound changes in the economic model. What is your proposal?

Ulisses: First, we must know the truth, which we do not know. The first duty of a public man is to the truth and this duty has not been fulfilled. We see that they want to transform the crisis into a mere problem of semantics--whether it is renegotiation, whether it is not a moratorium, and so forth. But basically we contend that arbitrary rule is to blame for all this. Until arbitrary rule is ended, this situation will not be corrected. We must go to the root of the problem. That is the party platform and that is the PMDB's commitment. Hence, our proposal is the end of arbitrary rule. Otherwise, this crisis will not be solved and others will be generated. Moreover, the government has never made any proposal that did not have to be made to us. It must be made to the Brazilian people: to say what political changes--essential for there to be social changes--it is willing to make. Nothing of this sort has been proposed. The government remains silent. The president of the republic, despite all these events, has had not a word for the Brazilian people.

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BRIEFS

NEGATIVE INDUSTRIAL PRODUCTION GROWTH--Rio de Janeiro--Industrial production in January through November 1982 fell 0.11 percent compared with the same 1981 period, it was reported yesterday by the IBGE [Brazilian Institute of Geography and Statistics] Foundation. Industrial output for the 12 months through November 1982 showed an even greater loss, 1.54 percent. As only 1 month remains in that year, and because the December figure is not likely to have been significantly higher, it is estimated that 1982 industrial production was the same as 1981. Hence, with industrial output showing no growth, for the IBGE to reach the announced 1.5 to 2 percent increase in GDP (Gross Domestic Product), it will be necessary to revise the indicators by applying the methodology used to reduce the decline in GDP last year. As is known, in 1981 the Getulio Vargas Foundation computed the GDP decline at 3.5 percent, based upon data furnished by the IBGE. The IBGE later rejected its own data and made another survey of industrial production using other methodology. This new survey changed industrial output and the revised GDP figure showed that the drop had been not 3.5 percent but only 1.9 percent. However, the monthly IBGE indicators continued with the previous methodology, showing that industrial production will not have a better performance than in 1981. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jan 83 p 29] 8834

CFP CROP FORECAST--Brasilia--The government is hoping for a 1982-83 crop of 14.4 million tons of soybeans, representing an increase of 12 percent over the previous year, and 23.4 million tons of corn, 8 percent more than the 1981-82 crop. Beans, with a crop forecast of 1.2 million tons, fell 24 percent from the previous crop, while rice will be 3 percent less, with a volume of 7.2 million tons. These figures are from the second official harvest estimate for major agricultural products for the 1982-83 crop year by the Production Financing Commission (CFP) reported yesterday by the Agriculture Ministry. As explained by the CFP, the decrease in beans was due to "climatic adversities in the Center-South region," which is not grounds for speculation about possible imports of the product, as the government has 600,000 tons in stock. The cotton harvest, according to ministry data, also increased. Production of 603,000 tons is forecast, representing an average increase of 10 percent compared with the 1981-82 crop of 538,200 tons in the Center-South region. A harvest of 260,000 tons is forecast for castorbeans, an increase of 40 percent. Last year production was 176,000 tons. The first peanut crop is likely to decline 11 percent from the previous year. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Jan 83 p 28] 8834

REPORTAGE ON CONSTRUCTION ACTIVITIES ABROAD

Ethiopia

Havana CUBA INTERNACIONAL in Spanish Sep 82 pp 46-49

[Article by Jose Gabriel Guma]

[Text] 16,000 kilometers away from home, Cuban construction workers are providing their internationalist assistance to the ancient land of Ethiopia, which is now engaged in a titanic struggle against underdevelopment.

In socialist Ethiopia, formerly known as Abyssinia under Italian colonialism, a territory occupied by the legendary kingdom of the Queen of Sheba, a land which is carrying out one of the most serious and boldest revolutions on the African continent, Cuban construction workers are doing some important work directly related to the economic and social development of that immense nation, whose area is 1,221,900 square kilometers--11 times larger than Cuba--with a population of over 30 million inhabitants.

This work includes two mountain roads with a total length of 104 kilometers, which will open up to the 20th century immense regions of great coffee resources; Ethiopia is one of the biggest coffee producers in all of Africa. Another construction project is a cement plant, whose annual production will exceed the production of three plants of that type now existing in Ethiopia.

The men and women from Cuba, an island 16,000 kilometers away, came to the ancient land of Ethiopia, located in the highlands of the horn of Africa, through the sponsorship of the UNECA [Union of Caribbean Construction Enterprises], a coordinating organization for the construction of major projects outside of Cuba.

Far from "New Flower"

At altitudes similar and even higher than the elevation of the Turquino Peak, the highest mountain in Cuba--1,960 meters above sealevel--and about 2,000 kilometers from Addis Ababa, the Ethiopian capital--which means "new flower" in Amharic, the official language of the nation--the Cuban internationalists have worked on the construction of two mountain roads.

A trip through these lands of high mountain peaks, majestic rivers, and men who have been free for just 4 years, when a popular movement overthrew the so-called "feudal Mussolini," Haile Selassie, shows the affection which the residents of this intricate and imposing rural landscape of a singular beauty feel for the Cubans.

As soon as the Ethiopian men, women, and children catch a glimpse of a Cuban, they greet him or her warmly with hand movements accompanied by the expression "guadina" (comrade) and frequently by another word that is pronounced the same in Amharic as in Spanish: Fidel.

An internationalist veteran in Ethiopia, Mario Alsina, the head of the Cuban construction crew, pointed out: "This isn't surprising. It happens anywhere we go."

A reportage on the work done by the Cuban construction workers on the two mountain roads recently opened requires a trip of some 2,000 kilometers.

To reach our objective, the jeep bounces up and down for days on highways and roads at an altitude of 2,000 or 2,500 meters above sealevel, bordered by deep ravines and crossing extensive valleys irrigated by rivers that wind their way through high mountains.

On both sides of the road we can see the typical Ethiopian houses whose walls are built with a mixture of mud and cattle dung covered with a fine layer of cement, surrounded by wooden fences. These fences are necessary because of the fact that at night hyenas prowl in the area, and occasionally lions and other dangerous African wildlife may be found there.

Throughout the trip we saw numerous herds of cattle, goats, flocks of chickens and other animals, which graze in valleys and meadows bounded by mountains. It is estimated that Ethiopia has over 70 million head of livestock.

From time to time, particularly in the vicinity of towns, it becomes necessary to stop the vehicle, or at least reduce still further its already slow pace, in the presence of stubborn mules carrying big loads of firewood, led by peasants almost always wearing the typical Ethiopian dress, usually with a large piece of cloth covering the chest and part of the head.

At the end of the trip we will find the two new roads, built at a cost of approximately \$15 million; and this figure does not include the heavy equipment that Cuba gave to Ethiopia, valued at about \$5 million.

Mettu-Alge and Mizan-Tepi Projects

The two roads built by Cubans and Ethiopians total 104 kilometers in length and cross mountainous rural regions where until now the great abundance of coffee beans was partially lost and could not increase because of the lack of access to the area.

The two roads, which in the opinion of specialists from other countries, form an entire road system, given the topography of the region, mean that it is now possible to develop vast territories extending to the southwest of Addis Ababa, primarily in the provinces of Ilubabor and Kaff, on the Sudanese border.

Both on the mountain road connecting the towns of Mettu and Alge and the one between Mizan and Tepi, the job being done day after day by the Ethiopian and Cuban construction workers was under the constant scrutiny of thousands of monkeys which, first from tree branches, and later from the reddish stalks of vegetation near the road, followed the progress of the work.

Groups of elephants, whose large tracks are visible at dawn, cross the roads in the morning. And already there is an increasing amount of traffic by the inhabitants of the region who have spent all of their lives in the heart of these mountains.

Construction of the two roads began at the end of October 1980, and the roads were opened in May, 6 months before the target date originally set, which was 2 years. The time saved in completing the project, along with the high quality of the work, shows the intensity of the work done by both Cubans and Ethiopians, who were in the past united in the defense of the territorial integrity of this fraternal African people, and who are today united in the economic construction of the Ethiopian revolution.

In majestic settings, where frequently the clouds are lower than people, the heavy equipment operators cleared away the untouched, dense vegetation. The thickness and height of the trees that are hundreds of years old indicate, as the Ethiopians say, that "these places have until now not been touched by human footsteps, or at least, the steps of people wearing shoes."

The road from Mettu--the capital of Ilubabor--to Alge is 54 kilometers long. It passes the towns of Nopa and Supe and is over 600 kilometers from Addis Ababa. It is built on a clay soil. The project required the installation of two mills to crush the rock that was used to make the roadbed.

Hector Ventura, the head of the brigade, who has worked in construction for 36 years, and the engineer Guillermo Madrigal, the technical head of the project, said that the total earth moved was about 2.9 million cubic meters, and the productivity of the workers reached the high level of \$4,838 a month.

In a collective of 76 workers, said Ventura, there are many members, in fact almost all, who in their everyday work, in days 10, 12, and sometimes even longer hours, have accomplished heroic labor feats.

At one point of the road the observer can clearly see five levels of the road, 7 meters wide, bordered by steep precipices. Between the first and the fifth level there is a difference of 230 meters, and despite the cuts made through the mountains, with an abundant use of dynamite, the road is 5 kilometers long in a section of the Ethiopian geography that, measured in a straight line, is only about 1,500 meters in length. These figures speak eloquently and show the complexity of the engineering done for this project and the amount of work that had to be done.

The Mizan to Tepi road is 50 kilometers long, passes by the town of Sheko, and is about 560 kilometers from the capital. Its base is a clay and sandy soil, so some material was added to improve its quality for use as the roadbed. The road has a good finish, so vehicles could travel at a high speed, if it were not for the constant presence of sharp curves.

The new road, which has grades of over 11 percent, also required moving about 3 million cubic meters of earth--and of this, over 200,000 cubic meters were rock, reported Gustavo "Tito" Pons,

who has worked in construction since 1950 and who is head of the brigade, and the engineer Oscar J. Murillo, technical director of the project, who, during the past decade, also worked on the construction of the road from Xuan May to Son Tay in Vietnam.

There were 81 construction workers in the collective that built the Mizan road. Their average age was 38, and they averaged about 10 years in construction. Like their comrades on the other project, in the opinion of the Ethiopians, their work has met the quality standards expected of the Cuban internationalists.

Berbela, Wedecha, and Mito

The Cuban-Ethiopian collaboration in the field of construction began with Fidel Castro's visit to Ethiopia in 1978. In January 1979 the first equipment reached Ethiopian soil, and on 19 February of that year the construction work began, building the Berbela dam about 47 kilometers southeast of Addis Ababa, not far from the road that leads to the Red Sea.

The project, that irrigates 1,500 hectares and has a capacity of 12.1 million cubic meters of water, was completed in just 90 days.

Later, in February 1980, construction of the Wedecha dam began. Its capacity is 16 million cubic meters; it is located 20 kilometers from the Berbela dam, and was completed in June 1980.

About 3 kilometers from the Wedecha dam, a bypass dam and transfer canal were built as part of the Wedecha-Berbela complex, in early 1980. These projects introduced gravity-feed irrigation to areas used for growing vegetables and alfalfa.

At the present time a group of Cuban internationalists is serving as advisers for the construction of a system of primary, secondary, and tertiary canals, with concrete structures, which will allow the water to flow by gravity from these canals to furrows 200 meters long where sweet potatoes, peppers, potatoes, lettuce, beets, cabbages, and other vegetables are grown.

In this volcanic soil, at an elevation over 2,000 meters above sealevel, which in the past belonged to a princess, no less than 1,500 hectares will be irrigated when the first phase of the canal system is completed.

In addition, the Cuban brigade by itself built a dam in Mito with a capacity of 600,000 cubic meters. This small dam is located 220 kilometers south of the capital.

Water Resources

About 20 months ago, in early 1981, a group of Cuban specialists began to work in Ethiopia in cooperation with the Authority for the Development of Water Resources.

Their work, like the work done in other areas of construction, has proved very beneficial. It included the review of one project--and the later preparation of a new one--for the Birete dam, which will supply water to the cement factory that is being built with Cuban assistance.

This group has also done preliminary irrigation studies for over 2,000 hectares, used for the cultivation of cotton, sorghum, and sesame seed in Homera, 1,000 kilometers from Addis Ababa, and very close to the Sudanese border.

The group has also done hydroeconomic reconnaissance work in regions of possible development and has prepared hydrological reports of a general nature, in order to facilitate later work in the field of water resources development.

It also prepared technical and economic reports in the area of water resources, providing a fuller knowledge of the characteristics of particular regions of the country.

An important aspect of this work was certainly the sharing of their experience with the Ethiopian topographers who are already hard at work on the development of these territories of their homeland.

New Mughar

The name of New Mughar--a name that combines an English and an Ethiopian word--has been written with particular force in the history, short in years, but fertile in events, of Cuban-Ethiopian cooperation.

On that point of the African geography, located 102 kilometers northeast of Addis Ababa, 55 Cubans--there will be 300 in the future--are working, along with 2,850 Ethiopians, on the construction of the largest cement plant in the country, which will be able to produce 300,000 tons a year. This will practically double the combined production of the three cement plants now existing in Ethiopia.

The Cuban workforce, composed essentially of workers from Brigade 31 of the ECOI [Industrial Projects Construction Enterprise] 2 from Havana, is working primarily as advisers in the areas of civil construction and industrial assembly. They are also responsible for the execution of a series of specific projects, such as the finishing of silos and furnace stacks.

In this project, the main industrial project executed in Ethiopia since the start of the revolutionary process, 10 percent of the civil construction has already been done. The two areas most advanced are the clay and limestone storage areas, which are 78 and 60 percent complete, respectively.

Oscar Rodriguez, who has worked on 34 industrial projects during the last 2 decades--this is his fourth cement plant--and who is now the head of the plant construction and assembly brigade, said that, if no major problems arise, this plant will be completed in April 1984.

The Cubans working on the construction of this plant, who can easily be recognized by their yellow hardhats, through their everyday actions confirm the commitment they made to Fidel: they work with great zeal so that the New Mughher cement plant will be another outstanding example of the spirit of brotherhood uniting the Ethiopian and Cuban peoples.

Like the people working on roads and dams, with their work day after day they give meaning to the saying posted in the Mettu camp: "In Ethiopia there is only one option: to achieve every day, to work and overcome obstacles, to climb mountains and touch the stars."

Angola

Havana CUBA INTERNACIONAL in Spanish Oct 82 pp 36-39

[Article by Jose Gabriel Guma]

[Text] Over 10,000 internationalist construction workers have helped in the creation of a new life 12,000 kilometers away from their homeland. These are the Cuban workers, technicians, and engineers who, in far away and mountainous lands are providing their assistance to the fraternal people of Angola in their courageous battle for development.

"Ladies and gentlemen, Cuban Airlines takes pleasure in having you on board flight 490, bound for Luanda."

These are the first words that the more than 10,000 Cuban construction workers have customarily heard as they start on their important internationalist mission in Angola.

For many of them, crossing the nearly 12,000 kilometers from Havana to Luanda is nothing new. Some of them made this trip, flying at a speed of 850 kilometers per hour at an altitude of 12,500 meters, first over the Caribbean and then over the Atlantic, some years ago when the revolutionary government of Angola, which had just recently won its independence, called on the militant solidarity of the Cuban Revolution to fight together and defeat the racist South African aggressors.

Some of the darkskinned Cubans who are now making the Havana-Luanda trip are descended from men and women who centuries ago were forcibly brought from the territory that is now Angola to the then "loyal island of Cuba," Spain's last possession in the Americas. Now the Cuban internationalist construction workers are helping to pay a historic debt to the land of their ancestors.

The Filthy Visage of Apartheid

After a 7-hour flight, the IL-62 N touches down at Sal Island, the gateway to Africa, still out in the ocean. They spend 60 minutes at the former U.S. air base, today part of the young Cape Verde Republic, giving the Caribbean construction workers an opportunity to witness close at hand the ugly, hateful face of the regime that threatens and attacks Angola and other free peoples--or peoples fighting for their freedom--from the southern part of the African continent.

As the flight schedule of the Pretorian airline coincides with the flight from Cuba, the Cubans necessarily come into direct and shocking contact with a reality which the youngest among them have known only from reading newspapers and books.

In the air terminal, the white passengers and the darkskinned passengers living under the South African regime remain discreetly separated from each other. And then, when the resumption of the flight is announced, the whites go rapidly to the plane, and when they are all comfortably settled, then and only then are the nonwhites allowed on board, to occupy the space reserved for them.

This procedure was even more flagrant because a blond man was late in boarding the plane. The group of black passengers had to wait until the all-powerful white man got back on board, so

that they, the legitimate residents of the South African nation, could take their seats on the Boeing. That is what apartheid is like.

Headed for the Southeast

After moving up the hands of their watches 4 hours--at 1100 in Havana it is 1500 in Sal Island--the workers from the UNECA [Union of Caribbean Construction Enterprises], an organization of the Cuban Revolution which works on construction projects in other countries, must continue their flight for another 6 hours to Luanda. There, among the tall modern buildings they can see two structures whose shape is reminiscent of large umbrellas. These are the tall tanks of the water distribution centers, built by Cubans in the areas of the city known as Mulemba and Palanca.

Upon their arrival, the construction crew will spread out to many different points in that huge territory of 1,247,000 square kilometers, with a population estimated at 6.5 million inhabitants, where the red and black flag of the MPLA [Popular Movement for the Liberation of Angola] has flown since the second half of 1975--even earlier, of course, in the liberated zones.

In Luanda, Saurimo, N'Gunza, Luena, Bie, Benguela, Huambo, and other points of the immense Angolan territory the Cubans undertake the execution of various projects of economic and social value to this African nation, which was under Portuguese colonial domination for 5 centuries, and whose name comes from the Bantu word "Ngola."

With their everyday work, the construction workers--from the personnel in charge, the architects and engineers, down to the very lowest worker on the site--make Fidel's saying: "It is not possible to be a communist without being an internationalist," become a reality.

In the Beginning, Bridges

Cuba's collaboration with Angola in the field of construction began with bridges. In early January 1977 a group of specialists came to Luanda; there they were to undertake the planning of a series of important bridges that were either destroyed or seriously damaged by the South African racists. In March the first construction workers, equipment, and materials for this great work began to arrive by ship from across the Atlantic. And in the following month, work actually began.

From among the thousands of construction workers from all over Cuba who volunteered to take part in this heroic work, which was by no means free from danger, and which would frequently require that they work armed with a rifle, 440 people, including 11 women, were chosen, who displayed the qualities of courage, decisiveness, and revolutionary spirit. During that first and harsh trial period, they built 23 bridges in 12 months. The initial commitment had been for 16 bridges in the same number of months. So they completed an added seven bridges in barely a year's time.

Another outstanding moment came in December 1977. On that memorable occasion President Agostinho Neto received the keys to the first housing complex built by the Cubans in the section of the capital known as Golf. He also received symbolic delivery of three primary schools, each with a capacity for 600 children.

In October 1979 the Cuban Construction Enterprise turned over to the Angolan authorities another six bridges, completed before the originally scheduled date, in the southern province of Huambo.

The number of projects completed by the Cubans in Angola in just a few years is quite large; it includes, not to mention over 50 bridges--the last four were turned over to Angola just a few months ago--2,000 housing units in Luanda, the expansion of the Kinfangondo aqueduct, providing water to the capital, and the development of the October Revolution housing complex, also in Luanda.

A project donated by Cuba is the military school named in honor of the noted revolutionary combatant, Hoji Ja Henda, which was officially inaugurated by Col Arnaldo Tamayo, the first Latin American cosmonaut. The center is located 7 kilometers from the city of Huambo and already has over 300 students. Its director, Capt Jorge Olivera Antonio, said that this institution is another striking expression of the spirit of fraternity existing between the Cuban and Angolan peoples both in the field of battle and in the field of production.

The work of the Cuban construction crews in Angola has received public recognition from the leaders of that fraternal nation. There was an expression of this in March 1981, when Jose Eduardo Dos Santos, president of the republic and of the MPLA-Labor Party, after meeting with Levi Farah, Cuba's minister of government in charge of construction abroad, in a special audience, spoke

of the work done by the Cuban internationalists. A cabled report of this meeting said that President Dos Santos, who had visited some of these projects shortly before, praised the quality of the work, which was clearly evident in these projects.

The Best UNECA Branch

The UNECA branch working in Angola was rated the best working abroad in 1981. This is a striking indication of the quality of their work, when we realize that UNECA has branches working on many projects in over 10 countries in Africa, Asia, Latin America, and the Caribbean.

Last year the Cuban construction workers in Angola completed their work plan to a level of 103 percent.

According to Sabino Castaneda and the architect Manuel Cespedes, director and vice director, respectively, of the Cuban Construction Enterprise, last year they worked on housing units in Luanda and Huambo, the Kinfangondo aqueduct, the main industrial sections of three large factories, the Dinaprope cold-storage plant, the military school, a number of bridges in the eastern part of the country, the urban development of one district, and the Mambroa sports facility.

They also worked on the Luanda port, whose expanded area includes freight loading and unloading warehouses, and other areas which come to a total of 100,000 square meters paved, and work is in progress on the Dala water power plant.

The construction crew also worked on the twin water distribution centers of Mulemba and Palanca, each of which has, among other features, two reinforced tanks 10 meters high with a capacity of 10,000 cubic meters, a pumping station, a tank 40 meters high with a capacity of 400 cubic meters, a social-administrative building, a warehouse, shops, and other facilities.

The latter investments are basic links in the capital city's water treatment and distribution system; when it is completed, it will be possible for water, coming from the Kinfangondo River, which flows through the historic area near Luanda where Cuban and Angolan troops stopped the South African invaders in 1975, to provide an abundant and pure supply for hospitals, factories, schools, and other "predios," as the Angolans call their buildings. The old image of a woman carrying heavy pails of water on her head will be a bygone image, at least in the cities.

This year's construction plans includes essentially housing units in Huambo, Benguela, Saurimo, Luena, N'Gunza, and Bie-- 2,000 housing units have been contracted for the interior of Angola-- the two water distribution centers, the paving of the port, and the cold-storage plant. The planned productivity per construction worker for 1982 is \$20,727.

A Stimulating Challenge

The complex work of building housing, factories, bridges, water distribution centers, dams, cold-storage plants, and other facilities in a country like Angola, which must get most of its supplies from Cuba, has been a stimulating challenge to the internationalist construction workers.

The men and women who, for an average period of 18 months, leave their homeland and families in order to make a contribution to the economic and social development of a nation that was a victim of colonial plundering for almost 500 years and which, right after it was liberated, was threatened and attacked from outside, understand the need to be hardworking and efficient, in order to merit the trust that has been placed in them.

Solidarity, austerity, modesty, and honesty are typical features of these internationalists, whose work is of particular importance to the vast territory in which they wage their quiet everyday struggle, and it is also of value for the Cuban economy.

The use of efficient methods and the best plans, both in architectural design and in engineering, and of a good labor organization, are fundamental imperatives for these construction workers, who represent the Cuban Revolution in distant and at times striking landscapes in the world's geography, in places such as Angola, where they are working hard for development and for a better life.

Parallel Lives

The lives of Raul Elias Esperon and Maria Margarita Egusquiza are closely united, and united to the field of construction.

They met when they were studying construction at the Jose Marti Technological Construction Institute in Boyeros, very close to Havana. Shortly after graduation, in the beginning of the past decade, they married, and for years worked together on major projects in western Cuba.

Once again, Raul and Maria are joined both in life and in work. For some months they have been working as internationalists on the construction of 400 housing units--20 five-story buildings--which the Cuban Construction Enterprise in Angola is building in the city of Huambo, the New Lisbon of colonial days.

Both of them are happy to have this opportunity to contribute to the development of a fraternal country, "where we have been able to see with our own eyes the effects of colonialism, which has left an unforgettable impression on us, even though we knew in its full dimension the horrors of the inhuman exploitation of these people by the colonial empires."

An Internationalist

Ulpiano Alfonso is a veteran of life, of construction, and of internationalism.

During World War II, Piano--as he is usually called--started working with cement and bricks, and his career before the triumph of the Revolution was similar to that of most construction workers in the old days: an occasional job on the residence of some rich person, and periods of enforced unemployment waiting for a new job to start somewhere.

This presumed descendant of Angolans has had an interesting record as an internationalist.

About 10 years ago, in Conakry, Guinea, he worked on an airport and some other construction projects.

Then, 6 years later, he went to Angola. He worked on the construction of several bridges in the south that had been destroyed by the South African aggressors.

Starting in 1979, for a period of 18 months he worked on building two educational centers in Tobruk, Libya.

And now for the past several months he is once again in Angola. Now he is working on the water distribution center that is being built on the edge of Luanda in Mulemba.

But Alfonso also has an impressive work record in Cuba: for 10 seasons, he was a volunteer sugar cane harvester.

When this hard worker is asked about his plans once his present mission is finished, he just shrugs his shoulders and says that after he goes back to his company and works there for some time, he will pick up his machete once again and go out to work on another harvest, or maybe go out to some new job as an internationalist construction worker.

7679

CSO: 3248/267

BRIEFS

COSTA RICAN DEPUTIES' ACTIVITIES--The group of Costa Rican deputies visiting our country has toured the Hermanos Ameijeiras Hospital in Havana. They were briefed on that modern hospital's characteristics, the services it offers the people and were given a broad outline of Cuban medical services. Accompanied by Caridad Cairo and Maria Terest Trincado, chief and deputy chief of nurses, respectively, the Costa Rican visitors toured some of the wards for specialized services, surgery rooms, intensive care units, doctors' offices and private rooms for patients. In coming days the deputies will visit Cienfuegos Province and will continue to hold talks with party and government leaders. [Text] [FL122118 Havana Domestic Television Service in Spanish 1800 GMT 12 Jan 83]

FORMER COLOMBIAN PRESIDENT'S ACTIVITIES--Dr Alfonso Lopez Michelsen, former president of the Republic of Colombia, yesterday visited the Niceto Perez Livestock-Agricultural Production Cooperative to learn firsthand the organization and operation of that new form of production. Lopez Michelsen, who arrived in our country several days ago, was accompanied by Antonio Nunez Jimenez, alternate member of the Central Committee and culture vice minister. Orlando Gomez, president of the Niceto Perez Cooperative, briefed the visitor on the cooperative's internal affairs. Also visiting the cooperative were Juan Jose Leon, alternate member of the Central Committee, and other provincial leaders of the National Association of Small Farmers. [Text] [FL122118 Havana Domestic Television Service in Spanish 1800 GMT 12 Jan 83]

CSO: 3248/435

HURTADO LAYS OUT POLICY PLANS FOR NEW YEAR

Quito EL COMERCIO in Spanish 27 Dec 82 p A1

[Text] President Osvaldo Hurtado Larrea will close out 1982 with a complete team of advisers, with whom he is now drafting policies for next year in order to meet the economic crisis from which the country is now suffering.

With the conclusion of the old year and the coming of 1983, official circles have discarded the possibility of a Cabinet crisis, although it was noted that in politics, one can never speak with certainty or make absolute, mathematical predictions.

In the meantime, the National House of Representatives will continue to work until 31 December on approval of the fiscal budget for 1983 so that it may go into effect on 1 January.

It has been hoped that the plenary session of the standing legislative committees, which functions during recess of the full Congress, will give approval tomorrow, following a second and final discussion, to the proposal to raise the tax on the selective consumption of beer from 35 to 60 percent in order to partially finance the budget.

In recent statements made to this newspaper, Vladimir Serrano, secretary general of the Public Administration, said that the president intends to avoid any Cabinet crisis in the coming days.

Nevertheless, he noted that in politics, one can never speak in absolute terms or make totally mathematical predictions or say that such and such is a fact or will necessarily happen. Rather, it is daily life, daily events on the national and international scene, that determine the conduct of a government.

Whatever the case, he said that it is not the traditional dates in Ecuadorean politics, whether in August or December, that should determine a total or partial Cabinet crisis, but rather, the very dynamics of the political life of a country. He emphasized that in principle, stability is of prime importance.

He added that the current Cabinet is a team bringing together regional and doctrinary political elements, which does not mean that as a result of special

circumstances, whether personal or sectorial, any member of the Cabinet cannot be replaced at a specific time, inasmuch as while the main trait of the administration of President Hurtado has been stability, the men serving under him are appointed by him and can be removed by him.

Despite these statements, political circles continue to speculate on whether or not there will be a partial or total Cabinet crisis at the end of the year.

The chief of state now has a Cabinet mainly made up of independents and three members of the Popular Democracy Party (DP).

The independents include Luis Sarrazin, minister of health; Jorge Maldonado, minister of national defense; Alfredo Mancero Saman, minister of social welfare; Vladimiro Alvarez, minister of labor; Gustavo Galindo, minister of natural resources; Pedro Pinto, minister of finance; Orlando Alcivar, minister of industry, commerce and integration; Edwin Ripalda, minister of public works; and Luis Valencia, minister of foreign relations.

Ministers belonging to the party of President Hurtado, the Popular Democracy Party, are Galo Garcia, minister of government; Carlos Vallejo, minister of agriculture; and Claudio Malo, minister of education.

11,464

CSO: 3348/161

DEVELOPMENT BANK NOTES AGRICULTURAL EXPORT PROBLEMS

Quito EL COMERCIO in Spanish 27 Dec 82 p A6

[Text] The cultivation of soybeans is facing serious problems due to the lack of any incentive for marketing abroad. According to the National Development Bank, these difficulties have affected production levels of recent years.

According to the Bank, a feasibility project has been worked out for the establishment of an oil extraction plant in the city of Quevedo, in order to develop the processing of poultry and hog feed in the area.

The Bank states that with respect to cotton, some 13,000 hectares have been financed, whose production makes it possible to meet the domestic demand. The product, which can no longer be exported because its quality and prices are not competitive on the international market, should be used in greater percentages for the country's textile industry. Suitable policies should be adopted to this effect, he said.

The African palm has received financial support amounting to a total area of 25,000 hectares in 1981. This crop has also been affected by the importation of oils and fats, authorized by a foreign trade policy incomprehensible to those of us who have to watch over the development of farm production in this country.

In order to promote new areas, the Bank is negotiating a \$10-million loan with the Andean Development Corporation (CAF). It would be used to finance an overall project located in the parish of San Vicente de Bua, an important element of which is the establishment of an oil extracting plant managed by a joint venture made up of palm growers and the Bank.

In coffee, despite the credit efforts of our institution, the crop has stayed at the same level as in previous years. This results from the unfavorable climate conditions, especially in Manabi Province, the drop in international prices for the product and the presence of insects and plant diseases. Most plantations have low productivity and we believe that any strategy must be oriented toward providing technical assistance so that the farmer can use efficient techniques on their plantations and improve the quality of the product. We must diversify traditional markets and at the same time, promote coffee growing at high altitudes in order to improve quality.

The Bank reports that cacao plantations have remained at the same level of some 14,000 hectares for years. Production volumes have recently dropped due to low yield. The main problems faced by the crop are: the old age of the plantations, 50 percent of which are over 30 years old, the backward methods used and the limited technical assistance. If one adds to this the increasingly difficult conditions on the international market, where there is a growing supply and smaller demand, accompanied by prices steadily dropping every year, then we can but express our profound concern over the future of the crop and the consequences the country could suffer from the situation.

11,464

CSO: 3348/161

CENTRAL BANK REPORT ON ECONOMY, 1983 PROSPECTS

San Salvador LA PRENSA GRAFICA in Spanish 22 Dec 82 p 2

[Text] The following text is a summary of a report published in the various public media over the Christmas and New Year holidays by Central Reserve Bank President Alberto Benitez Bonilla:

Gentlemen:

On the occasion of this Christmas celebration, the Central Bank wishes to thank each and every one of you who have worked, directly or indirectly, to make the job of communicating the news a social service, as you transmit the activities of our government to the public and the various regions of our country and the world at large. I would also like to take this occasion to encourage you to persist in the fulfillment of your cultural mission honestly and courageously.

Traditionally, the Central Bank takes advantage of our meeting during this season to publish some of the more important characteristics of our economic development and our immediate economic future. The outstanding characteristics of our economic development and our immediate economic future. The outstanding characteristics are as follows:

1. National production of goods and services declined by only 5 percent during 1982. It should be pointed out that this decline is less than in 1980 and 1981, when it amounted to 9.5 and 9.6 percent, respectively.

The current value of goods and services for 1981 will total 9,157,000,000 colons.

2. Goods and services can be broken down as follows as regards total demand --that is, taking into account both imports and exports.

Family consumption	61 percent
Government consumption	11 percent
Gross domestic investment	10 percent
Exports	18 percent

3. Price Fluctuations

Overall price increases in the economy, taking into account external prices as they affect us through imports and exports, will amount to 10 percent annually, which is more than the 8.5 percent increase in 1981 (implied GNP deflator), as a result mainly of the increase in coffee prices.

Growth of the consumer price index was expected to reach 16 percent at the beginning of the year; in fact, actual growth will be only 12 to 15 percent at the end of the year.

The export price index will grow by 5 percent, and the import price index by 5.3 percent. The behavior of this tandem set of indices signifies a certain price stability throughout 1982 economic transactions.

4. Public Finance

During 1982 the public sector adhered to an austerity program which, in spite of the economic and financial crisis, had positive results, given the total context. The national government's deficit totaled 602 million colons, somewhat less than in 1981. Financing of the debt was achieved mainly through external sources of funds, taking into account that the financial sector's credit was obtained mainly from foreign sources. The rest of the nonfinancial public sector showed improvement over results previously predicted.

5. External Sector

This sector showed the following unfavorable balances: 454 million colons in the balance of trade; 323 million in the service account; and 377 million in the current balance of payments account. For the rest, net international reserves at the end of the year will enjoy a net recovery on the order of 250 million colons, but even so will continue to show a negative balance. Improvements in the current balance of payments account and net international reserves is due to the increase in contributions received and better foreign financing.

6. Financial Sector

The balance of deposits in banks and savings and loan associations will total 3.3 billion colons, an 18 percent increase over 1981.

The increase in the Central Bank's credit will be more than 500 million colons, supported mainly by foreign sources of funds. Banking and savings and loan system loans will amount to 3.6 billion colons, or 14 percent more than last year, directed principally to the manufacturing, agrarian, and construction industries.

7. Monetary, Credit, and Exchange Policies

During 1982, interest rates were raised beginning in February. Interest on 180-day deposits was raised from 10 to 12.5 percent, and interest on deposits of more than 180 days was left unregulated. Interest on loans to the

productive sectors was raised from 13 to 15 percent, with higher rates of interest set for other types of loans. The 1982 financial plan called for assistance in the form of loans adjusted for growth in national product and the expected rate of inflation. The effects of this plan, based on reported results, were satisfactory. In addition, the Monetary Authority offered special financial solutions to the cotton industry and adequate financial assistance to the coffee and manufacturing industries. In the area of banking, to meet the foreign sector problem and rationalize the scarcity of foreign exchange, various exchange-related measures of a political as well as an administrative nature were adopted throughout the year. In general terms, these measures had the predicted effect, as regards maintaining acceptable conditions within the state of financial crisis afflicting the majority of developing and industrialized nations.

8. Prospects for 1983

Our goal will be a volume of production similar to that reached in 1982, and export and import volumes respectively of 1.9 billion and 2.4 billion colons. As a consequence, a current balance of payments deficit of 465,000,000 colons is to be expected.

This deficit will be covered by foreign financing already negotiated, which will be more than adequate. This should permit us to pay more attention to the demand for foreign exchange, while continuing to improve the situation of net international reserves.

This economic aid will come mainly from the AID, the Mexican and Venezuelan petroleum industries' financial agencies, the Central Bank of Argentina, the IDB, the BCIE [Central American Bank of Economic Integration], private banks, and other institutions.

9. Monetary, Credit, and Exchange Measures for 1983

No change is expected in interest rates or in bank deposits. The search will continue for special credit solutions, or solutions suited to the various industries or firms facing financial problems due to the economic recession or the sociopolitical situation. Overall loans predicted for the banking system are compatible with predicted production levels and will exceed the inflation rate. The liquidity required by the economy in 1983 is thus expected to be available.

With respect to foreign exchange matters, policies and administrative regulations will continue to be reviewed, so that sources of supply and the criteria for assigning exchange on the official and parallel markets will reflect reality and the need for imports, while at the same time insuring greater flexibility in the exchange rate on the parallel market, to the effect that the exchange rate accommodate the forces of supply and demand. In addition, the stability of increasing operations on the parallel market will be studied.

San Salvador, 20 December, 1982.
Central Reserve Bank of El Salvador

BRIEFS

BUDGET DISCUSSED--The minister of finance has announced the national budget for next year, with total projected expenditures of 1,384,242,823 quetzals. According to a report published in the DIARIO OFICIAL for 6 December, there will be 8,291,060 quetzals for the judicial branch; 92,789,245 for the president's office; 10,311,947 for the ministry of foreign relations; 49,261,425 for the ministry of government; 142,524,095 for the ministry of defense; 362,410,084 for the ministry of finance; 162,883,533 for the ministry of education, and 101,037,355 for the ministry of health; 3,301,170 for the ministry of labor; 5,204,899 for the ministry of the economy; 77,305,367 for the ministry of agriculture; 294,333,884 for the ministry of communications; 943,709 for the attorney general's office; and 3,654,930 for the comptroller's office. The budget will be based on the following main sources of income; income from taxes, 666,605,222; taxes, 645,994,661; foreign trade tariffs, 121,650,827; import duties, 86,034,651; export duties, 35,616,176; taxes on merchandise and services, 418,972,500; special taxes, 102,511,700; and various other sources. [Text] [Guatemala PRENSA LIBRE in Spanish 8 Dec 82 p 2] 9839

STAPLES PRODUCTION--Production of staple grains reached 28 million quintals in 1982, according to agronomist Vilialdo Arreaga, director general of Agricultural Services [DIGESA]. Arreaga read his report during the inaugural of the eighteenth national camp-out of national 4-S youth agricultural clubs, held last Monday at the Technical Agriculture Institute [ITA] at Barcenas, Villa Nueva. Arreaga added that according to statistical tables, the area in use for crops was 700,509 hectares for staple grains alone. He added that corn production totaled 22,885,304 quintals, beans totaled 2,700,617 and rice 637,179. Sorghum production reached 1,682,437 quintals, and wheat 950,000. Speaking for his office, Minister of Agriculture, Livestock, and Food Leopoldo Sandoval Villeda said that prospects for 1983 are very bright, not only with respect to grains, but throughout the agricultural sector. [Text] [Guatemala PRENSA LIBRE in Spanish 9 Dec 82 p 2] 9839

STATE OF SIEGE EXPLAINED--The current state of siege is harmful to the national economy, especially the external economy, said Jorge Gonzalez del Valle, president of the Bank of Guatemala. During an economic panel held last night at the APG [Guatemalan Journalists Association], Gonzalez del Valle explained that this extraordinary state engenders a lack of confidence among foreign investors. He explained that there is a different point of

view abroad as to what a state of siege is. Foreign investors imagine a country in an all-out state of war, rather than one like Guatemala where production goes on without interruption. In discussing both positive and negative aspects of the country's economy, Gonzales del Valle declared himself in favor of political stabilization, which ought to go along with economic stabilization. He spoke against state intervention, but emphasized that "we all know who owns the country, and we no longer have in the public sector those who recently plundered Guatemala, taking 250 million quetzals abroad." [Text] [Guatemala EL IMPARCIAL in Spanish 15 Dec 82 pp 1, 11]
9838

CSO: 3248/410

ATTORNEY GENERAL DISCUSSES PRESIDENT'S 'MORAL RENOVATION' AIMS

Mexico City EL DIA in Spanish 28 Dec 82 p 9

["Text" of speech delivered by Attorney General Garcia Ramirez before the Senate, 27 December 1982]

[Text] Honorable President of the Senate, Honorable Senators:

Pursuant to the invitation that the Honorable Senate was kind enough to extend to me and with the consent of the president of the United Mexican States, I have the privilege of availing myself of the hospitality of this forum to report to the Senate of the Republic, an enlightened and sovereign legislative body whose greatness does honor to the nation, concerning the proposed Federal Law of Public Servants Responsibilities that the chief executive has submitted to the representatives of the people, as well as concerning other issues closely related to it.

The various proposals by President Miguel de la Madrid Hurtado that are linked by the common denominator of a moral renovation of Mexican society do not stem solely from the deep and just personal convictions of the chief executive, who is exercising the prerogative set forth in Paragraph 1 of Article 71 of the constitution. They are fundamentally the result of an impassioned grassroots desire voiced in many forums throughout the country, which were heeded during the campaign in 1981 and 1982; from this stems their historic significance and their essence. They are, hence, the reflection of one of our people's most earnest and, I would say, pressing requests, voiced by so many spokesmen all over the country. They reflect an intensive movement of collective, self-critical and resolved awareness to point out and confess mistakes, to abolish longstanding reprehensible practices and to essay new and necessary paths that would lend dignity and confidence to the nation's march forward.

For all these reasons, the candidate whose platform prevailed at the polls made the moral renovation of society a basic element in his campaign promises, and the president of the republic has made it, as the nation's representatives can see, a central commitment of his administration. As senators, you were elected by citizens who placed their hopes and imposed obligations in their every ballot, and we, as administration officials, were appointed by the chief executive, and as we take up

our task with all its burdens, we are jointly and permanently responsible for seeing to it that this nationwide demand is met rigorously and punctually without diversions that would imply betraying the trust that has been placed in us and without delays that would exhaust the patience of the Mexican people, who rightly demand brave, vigorous and exemplary conduct of administrators and government leaders in their true status as public servants.

Those of us who were elected by the people or appointed by the president of the republic have this as our mandate, as the clear and constant guideline for our conduct and as the yardstick for the accounts that we are to render, the accounts of every day, the accounts that are vouched for in deeds, not words. More than advisable, it is essential that the people of Mexico respect the institutions formed to serve them and that the men who serve in them be respectable, above suspicion and prepared to face the legitimate and penetrating judgment of public opinion.

Nevertheless, the moral renovation that is so closely linked to our aspirations of freedom, justice and solidarity, so much so that we would not understand such morals if we were to dissociate them from the loftiest values of our society, does not stop with the our public servants. It necessarily and unavoidably reaches much farther. It is a demand that applies to all without exception, that goes to the heart of every person and of all of us together in the community. It goes beyond the pro forma performance of our individual duties; it is an urgent aspiration for the entire society.

Thus, the moral renovation should be an incentive for a new model of man and nation and an opportunity for each person to do and demand (both at the same time, lest our people lapse into cynicism or hypocrisy, two forms of corruption that must not seize the country) what he can and must, without haggling about these points and without waiting for others around us, rather than ourselves, to show signs of renewed morals.

This moral renovation naturally entails the uprooting of the illegal and corrupt practices of which we are often guilty, to the extreme that some (and not many can contradict me) have made them part of the foundation of our political society. But this same moral renovation implies a great deal more than just not doing certain things. It should include an extraordinary, tremendous creative drive. By destroying all that regrettably seems to be identified with us, it must enable us to persist in developing a new image for ourselves.

The president of the republic has thus made the greatest moral pledge that he could when he gave his word: I will govern with my example. If the requirement of a moral renovation is imperative among officials, it is also an immediate and direct call to all Mexicans to make this effort (an effort of culture and survival) a shared responsibility and an efficient, willful course of conduct.

Some days ago, the chief executive issued resolutions and began a legislative process aimed at providing our State of Law (a form of government that we are determined to preserve and refine) with the means to support the renovation; yet these resolutions or proposals should not delude us into thinking, with hasty and superficial complacency, that a judicial reform is a moral reform.

Furthermore, the president instructed the Attorney General's Office to begin a national consultation on the administration of justice, which is now under way and to which we have respectfully invited you as senators. This appeal is for the broadest possible consultation and exchange of views, both among individuals and groups and segments of society. The purpose of the consultation is to have the people judge the justice system, to shape or transform it in accordance with their convictions and needs so that their judgment will give rise to the new, more evolved system of justice for the nation.

At the core of this appeal and of the system of public hearings that we have adopted (which will not be limited to Mexico City but will be held in every state of the union with the greatest esteem for them), lies the certainty that even today Mexico hungers and thirsts for justice, as Justo Sierra proclaimed so long ago.

Moreover, the president has sent Congress bills to replace Section Four of our constitution, to enact a new Federal Law of Public Servants Responsibilities, to incorporate criminal offenses that these servants could commit into the Penal Code, and to reform the jurisdictions in cases of civil liability for punitive damages. These bills, which represent the widest-ranging legal reform that any chief executive has ever undertaken, can provide the nation with the judicial groundwork, if those in charge do as they have promised, for many of its proper demands on those of us who because of the positions with which we have been entrusted and which can always be revoked, owe special allegiance to the principles governing social discipline.

If the number of bills has been striking in this and in other areas, it is because the scope of political decision-making and individual and social duties that we must define is also broad. If the work load that these bills give rise to for the executive and legislative branches is exhausting, it is because the country's needs, which weigh heavily on those who must meet them, also demand exceptional efforts. If there is little time to study and act on all these bills, it is because the decisions that we must make with regard to our legal system are also urgent and because the regulations now being proposed have already for many months and in extensive consultations occupied the devoted attention of the people and their current representatives, who have been intensely involved in them and have derived from them their program for government action.

This sovereign Senate introduced judicious amendments and additions to the constitutional reform proposed by the president of the republic. Thus, at the conclusion of the legislative process and in keeping with

the nation's will, our highest law has undergone changes in its provisions on what used to be called the responsibility of officials and employees and is now termed the responsibility of public servants. The new terminology adopted for purposes of accountability and its corresponding personal scope of legal validity emphasize the nature of public office: never a privilege, always a service.

Salient in this regard was the excellent report issued by the First Joint Committee on Constitutional Matters, the Second Joint Committee on Government, the First Joint Justice Committee and the First Section of Legislative Studies of the Senate, which after recalling the title of "slave of the nation" that Morelos gave himself, indicated: "The title of functionary...is abandoned, and that of servant adopted, because it is service to others, not function that must distinguish those who perform institutional government missions. Function implies distinction, prerogative and privilege, whereas service implies the ethics of solidarity that must guide collective conduct."

The fundamental mandates have also clearly set forth the various actions for which functionaries, employees and other servants might be held accountable and have once and for all, to preclude difficult interpretations, specified a solution to the problem of local officials (governors, deputies to state legislatures and members of the judiciary) with a careful balance between two principles that require attention and coordination: on the one hand, sanctioning local public servants, who cannot evade federal law and must scrupulously administer the Federal Government's funds, which in essence belong to the nation, and on the other hand, that federal agencies should not deprive the states of their authorities, even on grounds of a serious offense, pursuant to their autonomy within the union. Both the political trial and, in the event a common crime has been committed, trial admissibility proceedings are held before the National Congress, but it is the local congress that ultimately decides whether the official is to be removed or handed over to the regular courts.

The proposed Federal Law of Public Servants Responsibilities, subordinate to the constitution and linked to the amendments and additions suggested for the Penal Code, finally gives the country a sound and fitting federal system for public servant responsibilities, which will perhaps encourage innovation on the local level. These proposals thus expand on the three-fold responsibility set forth in the constitution: the political trial [impeachment], on whose foreign and domestic precedents I will not now amplify; the regular criminal courts, in the event of acts or omissions that so require, the categories of which must be based on the Penal Code; and administrative proceedings, which the Law of Responsibilities provides for with a view towards (and this must be emphasized) the regulations governing labor relations.

Although impeachment or admissibility proceedings must be pursued in normal fashion, to show that so-called official privilege is not impunity and protects the office not the individual, the proper guarantees must also be established for this unusual type of trial. Therefore, to insure the seriousness of the proceedings, whoever brings charges must satisfy

the elementary requirements for proof, the understanding being that if an official has to be answerable for his conduct, the accuser must also answer for his and, moreover, have the right and the burden of supporting his charges in proceedings. Therefore, also, we must establish which actions are grounds for impeachment. In accordance with legislative precedents and authoritative judgments, based on the Anglo-Saxon concept of impeachment, such actions are defined as behavior that discredits an official in the public's eyes, makes him unworthy of trust and, therefore, of retaining his post. Thus, it is not a question of criminal acts subject to the orthodox and closed proceedings of punitive law, but of conduct whose political nature also calls for political evaluation in the highest such body in the republic: the Congress. Therefore, lastly, the final decisions of the houses of Congress are incontestable (which is also the case with the declaration of trial admissibility), but procedural defects that this high tribunal might be guilty of can be contested through a writ of relief [juicio de amparo].

The 1979 law, which is still in effect, sought to differentiate between the grounds for impeachment, which could result in the removal and disqualification of the official, and the grounds for regular criminal proceedings, which are based on the commission of a crime and lead to regular criminal sanctions. Nevertheless, and so that we know with certainty what can and cannot be done and why certain crimes must be incorporated into Section 10 of Volume 2 of the Penal Code, we must state again here that today the Federal Government cannot cite legal provisions that would enable it to punish certain socially reprehensible and harmful acts. We cannot at present prosecute crimes involving the improper exercise or abandonment of public office, abuse of authority, cronyism, extortion, illicit acts in the administration of justice and certain cases of prisoner escapes. We can punish only bribery and graft. Although this was not what its legislative sponsor intended, the 1979 law has served, de facto and de jure, as an amnesty law because it abolished the official crimes contained in Article 18 of its forerunner, the 1939 Responsibilities Law, and thus caused the dismissal of numerous federal and regular court cases. When Article 18 was revoked, the 72 crimes in its 72 sections vanished from our statute law, and we could thus no longer prosecute them.

The repeal does not apply to cases of bribery and graft because Article 217 of the Penal Code, concerning bribery, stems from a reform on 31 December 1954, published in the Official Gazette of 5 January 1955, and, therefore, subsequent to the 1939 law, and because, in turn, Articles 219 and 220, concerning graft, stemmed from another reform subsequent to 1939, the one on 27 December 1979, as published on 3 January 1980.

These, Honorable Senators, are the current legal limits that prompted the chief executive's bill to punish illegal acts by public servants. If we require conviction and vigor to punish those who betray the trust of public service (two traits that are sometimes lacking), then we also require the laws that will enable us to do so, so that society and its system of justice are not left defenseless.

The president's bill to reincorporate illicit conduct by public servants into the Penal Code provides for appropriate sanctions, lest the interests of the individual be safeguarded to the same or even to a greater extent than the security and patrimony of society. This is in keeping with criminal law theory as far back as Beccaria: that the severity of the penalty should exceed the benefit that the offender might gain from his crime. The politicians and administrators who make the law and in particular those who enforce it must realize, however, that what deters people from crime is not only the severity of the punishment but also its certainty.

As far as impeachment is concerned, the Federal Law of Responsibilities now under study by the Senate prior to a vote, once again establishes the proceedings that have been in effect since the Juarez Law in 1870; now, however, they have been revamped and brought up to date, as called for by present-day conditions, including those stemming from economic and social planning. Both houses of Congress are involved, the Chamber of Deputies in the first phase of the proceedings, which could be likened to the indictment stage, and the Senate in the second, which is the trial proper (thus the Senate is described as the sentencing jury) and which culminates in a political and jurisdictional pronouncement. It is with good reason that we use the word jury, because the Senate, which renders judgment, proceeds much like a jury, in other words, its procedures are in accordance with the letter of the law, but in the end it rules according to its conscience, which must be shaped, above all, by the highest interests of the republic. To quote the famous speech in which Dr Jose Maria Luis Mora discussed these issues, the Senate's judgment will be equitable and discretionary.

I spoke before about the incorporation of criminal liability into the Criminal Code, with the proper techniques for determining what is a crime under punitive law. You might have noticed, of course, that the proceedings for the so-called inexplicable enrichment of public officials (which would be better described as unjustifiable) have been abolished. The 1939 and 1979 laws provided for such proceedings, which were of doubtful constitutionality, to say the least, and which were also a source of continual frustration.

These rarely undertaken, highly complex and extremely lengthy inquiries have led to nothing or very little; they prompted expectations of justice and wound up disillusioning public opinion, which condemned not the suspected officials but mainly the government bodies that were supposed to be empowered to prosecute them. Fortunately we have mended our ways and introduced the more fitting and more direct crime of illicit enrichment, along with other crimes, into the Penal Code.

The proposed Law of Responsibilities, seeking to adapt to the new constitutional mandates and to meet the people's demands, contains a list of duties that are inherent to public office and of the administrative methods for enforcing their observance and punishing noncompliance with them. In setting forth these duties (and this is another prominent feature of the bill), we have in a way described the model public servant

that society deserves and vigorously demands. By establishing duties and providing for the threat of punishment, we seek to foster in government the moral renovation of those who serve the government and its parallel sector, the government-run enterprises, so that they will be examples to the rest of the country and, moreover, its steadfast guardians. Thus, the 22 sections of Article 47 of the bill are distinguished by an ideal of what the features of public service ought to be: safeguarding the law, honesty, loyalty, impartiality, economy and efficiency. These are all unassailable requirements whose substance and scope derive from our laws and the cultural evaluation that those in charge of issuing and enforcing them ought to make.

The president has also submitted a bill to amend Articles 1916 and 2116 of the Civil Code, relative to the punitive damages that an illegal act could give rise to. This is an issue on which the Honorable Chamber of Deputies has already voiced an opinion and on which the Senate will also render judgment. Hence, I cannot and must not say anything other than what the lower house has said, as we await the upper house's decision. As far as the executive branch is concerned, I will once again state only the following, in view of the differing opinions that have been voiced under the unassailable right to speak out, agree or dissent: the Mexican Government, which is engaged in a liberating, civilizing effort, respects and will continue to respect the constitutional freedoms of thought, opinion and information. Far from being undesirable or punishable, responsible criticism fosters thriving institutions and helps to rectify misconduct.

The government accepts and, moreover, requests the public's views, which should be as frequent and harsh as they need be. It would like the conduct of government leaders to be the focus of public interest, not remain outside it. Even though it is no longer necessary, because the constitution provides for the pertinent powers, the government urges people to openly and resolutely voice whatever views they wish in exercise of their rights, secure in the knowledge that pointing out errors or misconduct will aid the government because it informs society of what needs to be corrected or sanctioned, which is as it should be. I am convinced that the Senate will carefully ponder in a lofty civic spirit what it ought to resolve in this regard. As officials of the executive branch, we will honor whatever decision the Congress makes.

Honorable Senators:

I have briefly outlined the president's intentions and what prompted them, in seeking a new law pertaining to the responsibilities of public servants. In making informed decisions, the Senate certainly does not require any further comments from me. Its members are highly qualified citizens who possess more than enough experience, wisdom and political and moral stature to decide what is best for the nation. This they will unquestionably do.

I would only add that the law we are discussing here and that has attracted the careful attention of our fellow countrymen is just one (and not even the most important) of the instruments with which we intend, if they are passed, to spur the moral renovation of society. I am aware, however, that a country cannot be governed with criminal law; that in a democratic society that behaves in an enlightened manner and strives for progress, legal penalties are the last resort for social control, not the first; and that other timely preventive sanctions will do much more for Mexico than these punitive provisions, which are, however, indispensable.

I trust that the threat of penalty will not be the guiding force of our conduct, because it should not be. In any event, the Attorney General's Office will firmly do its part in the government's undertakings. It will act with as much energy as necessary, but always calmly and in keeping with the law, without seeking publicity, without yielding to the blandishments of frivolity or the impulses of vengeance, without making a spectacle of itself and without shirking its fundamental duties. A system of justice is honorable and fragile and at a given moment it can bring together all of a State's power; at the same time, it must administer that power with moral and legal rectitude, so that it does not become a source of mere violence. There is nothing more regrettable than the violence that institutions improperly engage in against individuals. These are also the views of the president of the republic, who through me conveys his greetings to the Senate with the utmost deference.

8743

CSO: 3248/415

ILV BLAMED WITH SOWING DISCORD, REBELLION IN CHIAPAS

Mexico City EL DIA in Spanish 15 Dec 82 p 2

[Article by Juan Danell: "Tzotzils Denounce the Presence of Foreigners in Chiapas Communities"]

[Text] It is believed that they belong to the Summer Institute of Linguistics. "They meddle in the affairs of Indian groups and provoke confrontations among them," was the conclusion of the First Tzotzil Community Conference.

San Felipe Ecatepec, Chiapas, 14 December—A group of Tzotzil Indians from the communities of Chenalho and Chalchihuiran headed by Domingo Sebastian and Esteban and Jose de la Cruz denounced the presence of foreigners in their villages who have been spreading the Protestant religion for almost 2 years now, which has provoked confrontations within this ethnic group; "and, furthermore, the palefaces tell us that the government of the country is a bad one and that it must be changed."

As we can see, the characteristics pointed out by the Indians are typical of the actions of the U.S. Summer Institute of Linguistics which was expelled from the country 3 years ago because it was considered to be an American organization that was exerting a destabilizing influence on the peoples of Latin America.

With their placid faces and noticeable difficulties in speaking Spanish, the Indians assured us that over a fourth of the residents of Chunalho (with a total population of 16,000) have been strongly influenced by the Protestantism preached by the foreigners, who "speak our language, Tzotzil, very well," they said.

Going on with their report, they explained:

"The palefaces say that they are studying the customs of the Indians (anthropologists)...but such people have already come to our villages and these do not do the same things they did...they want us to oppose the government and one another."

Conclusions of the First Tzotzil Conference

Furthermore, at the conclusion of the First Tzotzil Community Conference, which was held in this town, representatives of the supreme councils of the ethnic groups that attended the event said that they would publicly demand that the federal government intervene to put a stop to repression in the communities of San Juan Lalana in Oaxaca, La Laguna del Ostion in Veracruz, and Bachajon, Ecatepec, Chalchihuitan, Las Margaritas and Monte Libano in Chiapas.

They also blamed the regional authorities of the different national agencies for the murder of Indians who had distinguished themselves in the struggle for land ownership. They moreover reiterated that there would be no social peace in rural areas as long as communal property was not respected and a realistic policy with regard to native populations, one aimed at satisfying their basic needs, was not implemented.

In connection with this, the representatives of Chalchihuitan said that ex-Governor of Chiapas Juan Sabines Gutierrez' divisive policy resulted in the death of six Indians from the villages of Zaclum and Chiquisculum at the end of September of this year.

It was also made clear at the conference that the interference of the political parties in the orientation and administration of the communities leads to divisiveness among their residents, which represents a step backward in the social development of this sector of rural Mexico.

11,466

CSO: 3248/402

CRITICAL ACCOUNT OF 14 DECEMBER BORDER INCIDENT

Mexico City UNOMASUNO in Spanish 20 Dec 82 p 5

[Jorge A. Bustamante commentary: "Border Incident: From the Seizure of Persons to the Seizure of Territory"]

[Text] The incident provoked by U.S. Border Patrol guards at the Morelos Dam in Baja California on 14 December may turn into the first serious problem with the U.S. Government of President De la Madrid's administration.

After having talked with witnesses who were present at the time and listened to the versions of authorities from both sides of the border who have up to now been handling the matter, the circumstances of the incident may be summed up as follows: On Tuesday afternoon two Mexicans started to cross the Colorado River where it forms the border with Mexico at the Morelos Dam, at the town of Algodones in the municipality of Mexicali, Baja California. Juan Manuel Gutierrez Perez, 14, of Yahualica, Jalisco, and Ramon Garcia Lozoya, 33, were involved. Finding themselves discovered by the immigration authorities, they ran back to Mexico by way of the spillways of the dam, pursued by the crew of Border Patrol Car No 1115 bearing Arizona license plate number J15747. The voices from the patrol car loudspeaker, shouting threateningly to those who were being pursued to stop, drew the attention of several persons who were on the scene and had seen the patrol car drive toward Mexican territory. In the spillways there is a silver line painted on the ground to mark the international border, the same one that has served to mark it during meetings of the presidents of both governments. The two who were being pursued crossed it only instants before the patrol car made another attempt to cut them off 75 meters from the silver line inside Mexican territory opposite spillway number 20. The marks left by the U.S. patrol car's tires when it braked abruptly to stop the two whom it was pursuing leave no doubt that the policemen penetrated Mexican territory. They caught up with only Juan Manuel. The violent efforts of the American policemen to subjugate him were accompanied by insults which the boy reacted to by throwing a handful of dirt into the face of one of the patrolmen. They beat him and ended up kicking him while holding him on the ground with a foot on his face. He was in this position when the other Mexican who was being pursued went back to protest the abuse two armed patrolmen were inflicting on a boy of 14. Ramon Garcia Lozoya's unarmed protest at seeing the boy beaten was answered with gunfire. Garcia Lozoya fell to the ground wounded and the American patrolmen went toward him with the clear intention

of getting him into the patrol car. This produced a reaction from Manuel Urbina Rodriguez, the Morelos Dam watchman, who called the municipal police and shouted to the invading patrolmen that they were on Mexican soil, protesting because they wanted to take the wounded man with them. One of the American border patrolmen got into the patrol car and asked for help. In a few minutes they were face to face -- with the wounded Garcia Lozoya on the ground -- two policemen from the Mexicali municipal delegation accompanied by the head of the local Mexican immigration department office, Javier Figueros, and inside Mexican territory 12 patrol cars from Yuma, Arizona, with 29 policemen armed with submachine guns. The representative of the Government Secretariat vigorously protested the outrage to the group of policemen and tried to stop them from taking the wounded Mexican with them. In the midst of insults and abuse the policemen took the wounded man and carried him off toward the United States before the eyes of the Mexicans, impotent in the face of this act of violence. Mexican policeman Ruben Vazquez Montano reacted to the gibes of the American policemen which accompanied their behavior by trying to stop them from carrying off the wounded man, only to be subdued by two American policemen, one of whom sprayed him in the face with Mace while the other hit him in the stomach. This stopped 10 Mexican laborers who had approached the group and angrily protested the abuse in support of the Mexican authorities. The Mexican immigration official helped to restore calm and avoid more violence by the American policemen. Handcuffed, in the confusion the boy who had been assaulted escaped. The episode ended when an ambulance from Yuma arrived in which they carried Ramon Garcia Lozoya off in fatal condition.

On Thursday the 16th an investigation, in which the Mexican and U.S. consuls from both border towns as well as a representative of the U.S. Federal Bureau of Investigation (FBI), Frank Mowrey, the chief of the Baja California Criminal Investigation Department, Francisco Palau, and the sheriff of Yuma County, John R. Phips, participated, was conducted to reconstruct the facts.

The consistent nature of the statements of the witnesses who were present, including those of the boy who had been assaulted and the physical evidence, made it impossible for the Americans to deny what had happened. The very investigation to reconstruct the facts in the presence of the authorities of both countries was an important accomplishment of the Mexican authorities in clearing up the matter. Everything pointed to the impression of a kidnaping and a territorial invasion when the Yuma sheriff's argument was raised: "The acts took place on U.S. soil because the border is not on the silver line." According to him, the 1944 border and territorial waters treaty states that the border is located in the middle of the current bed of the Colorado River, which now runs about 100 meters from the silver line on the Mexican side. While the bed *did run* [in italics] [along the silver line], due to the decline in the flow of the river as well as the fact that the waters upstream are controlled by American dams, the border is no longer where everyone, even the presidents who had met on the silver line that defines it, thought it was, but 100 meters inside Mexican territory where what is left of the Colorado River now runs. This being the case, according to the Yuma sheriff, the incident did not occur on Mexican soil. The sheriff's argument was not accepted by the Mexican consul in Calexico, nor by the Mexican immigration official. The new river bed was certainly not produced by natural forces, but by the unilateral action of the Americans.

Even before the argument wielded by the sheriff from Yuma, the incident was a serious one since it involved an act of violent aggression against defenseless Mexican citizens by U.S. federal police, which in itself involves a /state responsibility/ [in italics] under international law. Since the Yuma sheriff's argument has been employed, the incident has become even more serious since it involves a modification of the border to the disadvantage of Mexico and, therefore, a threat to the territorial integrity of our country. This cannot be left in the hands of a sheriff from the Far West. Something is involved that demands the determined attention of the Secretariat of Foreign Relations in particular and the legislative committees of the Chambers of Senators and Deputies which are responsible for handling a matter as delicate as this one may be. The attacks suffered by Juan Manuel Gutierrez and Ramon Garcia Lozoya, the state of whose health is unknown, are sufficient reasons for us to make a demand that will result in compensation for those who were assaulted, the punishment of those who were responsible for them and the U.S. Government's promise that incidents like this one will not be repeated. Even more serious is the threat of invasion of Mexican territory that has arisen through the Yuma sheriff's argument. The fallacy of this argument must be clearly and energetically corrected by our government before it becomes an accomplished and tacitly accepted fact that may result in another loss of territory, regardless of how small an area this may be. Demands regarding the kidnaping of Garcia Lozoya and the other consequences of the Morelos Dam incident will have to follow this explanation of the facts.

Approximately 3 years ago, in this column we demanded the explanation of another border incident that occurred in Hebronville, Texas, in which a 9-year-old girl, who was traveling in a panel truck pursued by Border Patrol gunfire, lost her life. The law is the only recourse left to us in the face of the arbitrary power of violence. Benito Juarez said something like this: Only in the face of abuse and violence exercised against defenseless Mexicans does indignation turn itself into a demand for justice that usually ends in impotence, but not in oblivion.

11,466
CSO: 3248/402

BRIEFS

PMT-PSUM TALKS POSTPONED---The Mexican Workers Party (PMT) yesterday expressed its concern to the Unified Socialist Party of Mexico (PSUM) over the fact that the talks on a merger are to be resumed until September of next year, fundamentally due to the fact that the PSUM has modified the terms under which they were to have renewed these talks. We were unofficially informed that, after holding its general meeting, the PSUM agreed that these terms will change because now it is a single political party and before they were several organizations that were about to merge. As for the PMT, it is maintaining the same view it held at the start of the talks, to the effect that there is not yet a program nor specific bylaws and that, in order to merge, the two political organizations must start from that point. [Text] [Mexico City UNOMASUNO in Spanish 19 Dec 82 p 5] 11466

PMT 575-PESO SALARY DEMAND--Yesterday, members of the Mexican Workers Party (PMT) blocked the first block of the Avenida Cuauhtemoc and were about to tear down the doors of the National Minimum Wage Commission (CNSM) building where a meeting was being held to demand a minimum wage of 575 pesos in view of the fact that the cost of basic items has uncontrollably risen. For 2 hours about 500 workers who are members of the party remained at the doors of the commission, requesting that they be received by CNSM officials. As they were not waited on, they threatened to tear down the doors. Jose Luis Hernandez of the PMT Executive Committee read a paper in which the difficult circumstances workers are going through were made clear, circumstances due to the fact that since 1976 prices have risen six times, while the minimum wage of 380 pesos "is not enough for anything." They asked CNSM members to try to live on those 380 pesos for a month. They said that, given the present situation, the minimum wage ought to be 1,100 pesos but, realizing that this would be impossible to grant because of the opposition of employers and the government, they were adopting the Labor Congress' "demagogic" demand, to wit, that it be 575 pesos. [Text] [Mexico City EXCELSIOR in Spanish 16 Dec 82 p 33-A] 11466

CSO: 3248/402

IRAN'S VELAYATI MEETS WITH OFFICIALS IN MANAGUA

LD141116 Tehran Domestic Service in Persian 0430 GMT 14 Jan 83

[Text] Our country's foreign minister, Mr Velayati, who is visiting Nicaragua to take part in the nonaligned foreign ministers' extraordinary session, yesterday separately met and conferred with the foreign ministers of Cuba, Syria and Sri Lanka and the Libyan UN representative. The meetings, which took place at the residence of Mr Velayati dealt with the adoption of a single strategy in the region.

The Sri Lanka foreign minister invited Mr Velayati to visit his country. Mr Velayati accepted the invitation. Also yesterday, our country's foreign minister held separate talks with the foreign ministers of India, Bangladesh, Brnada, Madagascar and North Korea on the New Delhi nonaligned summit and coordination at this summit. During these meetings, each minister expressed a desire for expansion of relations with Iran and our country's foreign minister received invitations to visit several of the countries. Mr Velayati also invited foreign ministers of several countries to visit Iran.

Mr Velayati also met and conferred with representatives of the Farabundo Marti National Liberation Front. The representatives of this front expressed gratitude to the Islamic Republic of Iran for supporting the revolution and the nation of El Salvador. Mr Velayati expressed hope for victory by the El Salvador movement with the backing of its people and with the succour of Almighty God.

Mr Velayati also met with a representative of the South African Liberation Movement and wished them success. The representative of this movement, expressed his support for the Islamic Republic of Iran.

CSO: 4640/79

IRANIAN FOREIGN MINISTER ADDRESSES PRESS CONFERENCE

LD121140 Tehran IRNA in English 0925 GMT 12 Jan 83

[Text] Managua, 12 Jan (IRNA)--In a press conference held at the Iranian Embassy here Foreign Minister Velayati said that the opening of the Islamic Republic of Iran's embassy in Managua could be effective politically in support of the newly-born revolutionary Nicaragua.

Velayati said that a change in the venue of the non-aligned summit from Baghdad to New Delhi was a turning point in the history of the movement.

Concerning the Iraqi imposed war Velayati outlined the rightful stance of the Islamic Republic and said Saddam was doing the same what Honduras were doing against Nicaragua.

Referring to the economic aids to Nicaragua or any of the third world countries including the non-aligned states he said Iranian President 'Ali Khamene'i two months ago proposed for the establishment of a common fund. He said the fund could be more effective as 11 OPEC members also belonged to the non-aligned movement. These countries could allocate part of their revenue for this fund which could be used by the third world countries, he said.

Velayati, currently here to attend the foreign ministers conference of the non-aligned movement, met and conferred with minister of agricultural development and member of the Command Council of Nicaragua Jaime Wheelock Roman at his residence Tuesday morning. During the [word indistinct] meeting the Nicaraguan minister focussed on the importance of the presence of the Iranian minister at the non-aligned meeting and similarities of the two countries' revolution.

Wheelock Roman also talked about the U.S. plots in the Caribbean region and Latin America and pinpointed U.S. campaigns against that country in economic and political matters. He said the U.S. was using pressure tactics against his country.

Roman also mentioned about the military threats of Honduras and plots of Somoza's agents against Nicaragua.

In reply, Velayati outlined the Islamic Republic's stance concerning the international crisis, issues of the Caribbean region, Latin America and the Middle East.

He analysed plots of the U.S. in the world in general and particularly the policy of the Great Satan against the oppressed of the world along with a special reference to the Iraqi imposed war on Iran.

Later in the morning, Velayati met with his Yugoslav counterpart Lazar Mjosov at his residence and they discussed political, and economic ties of the two countries.

During the meeting, Velayati stressed on the formation of a common financial fund by non-aligned members.

Mojsov extended an invitation to Velayati to visit Yugoslavia.

CSO: 3200/23

MALMIERCA THANKS HOSTS ON BEHALF OF NONALIGNED

PA152241 Managua Domestic Service in Spanish 1403 GMT 15 Jan 83

[Statement by Cuban Foreign Minister Isidoro Malmierca at the closing session of the fifth special meeting of the nonaligned coordinating bureau; in Managua, 15 January--recorded]

[Text] The [words indistinct] all the delegations contributed, states the following:

The special ministerial meeting of the coordinating bureau, held in Managua, Nicaragua, from 10 to 14 January 1983, expresses its sincere and deep gratitude to the brave people of Nicaragua and to their national reconstruction government for their warm and friendly hospitality, which has contributed in many ways to the success of this meeting.

The coordinating bureau declares its support for the firm and clear statement which his excellency Daniel Ortega, coordinator of the junta of the Government of National Reconstruction of Nicaragua, made to the meeting. He reiterated the decision of the Nicaraguan people and government to confront all threats of intervention, aggression and hostile actions, to defend the principles of the nonaligned countries movement and to safeguard its unity.

The coordinating bureau wants to state its pleasure over the brilliant way that the tasks of the meeting have been organized by Nicaraguan Foreign Minister Miguel D'Escoto, the meeting's chairman. The meeting took place in a fraternal and hospitable environment. Such an environment prevailed throughout the debates.

The coordinating bureau is grateful for the facilities according to the delegations. It is especially grateful for the efforts of the Nicaraguan authorities and personnel charged with support activities, secretarial services, hotel and transportation work, etc. These efforts were carried out with efficiency and good quality.

The coordinating bureau states its pleasure at having been able to meet in the homeland of Augusto Cesar Sandino, hero of America. It is also pleased at having been able to secure on-site information about the huge effort that the Nicaraguan people are making to build a sovereign, independent and

prosperous new Nicaragua. The Nicaraguan people are making such efforts with revolutionary zeal and under the wise leadership of the Government of National Reconstruction and the FSLN.

The coordinating bureau recognizes the special welcome which this country extended at the political and cultural mass rally. At that rally, the delegations became aware of the Nicaraguan people's decision to advance in the construction of a new Nicaragua. The delegations received evidence of Nicaraguan sympathy and support for the nonaligned movement.

The coordinating bureau stresses its confidence and optimism that the positions and decisions made at this meeting will decisively contribute to strengthening the struggle of the region's nonaligned countries against imperialism and colonialism as well as their struggle for peace and regional security, thus promoting the free development of the Latin American and Caribbean people.

Thank you.

CSO: 3248/434

NONALIGNED DELEGATIONS CONTINUE TO RETURN HOME

PA172019 Managua Sistema Sandinista Television Network in Spanish 0200 GMT
17 Jan 83

[Excerpts] The delegations that participated in the fifth nonaligned movement ministerial meeting continued to leave Nicaragua over the weekend. Nicaraguan Foreign Minister Miguel D'Escoto and other revolutionary government officials bade farewell to the distinguished representatives, including those of Afghanistan, Grenada, Zaire, Ecuador, Venezuela, Libya and Argentina.

The Egyptian delegation led by Butrus Ghali, minister of state for foreign affairs, left last night.

We spoke with Carlos Ozores, Panamanian ambassador to the United Nations:
[Begin Ozores recording] It must be borne in mind that this is the first meeting held to discuss regional problems, particularly those of Central America and the Caribbean, an area that is currently experiencing very dramatic moments. It must also be borne in mind that foreign minister of Africa and Asia have come to Nicaragua and they have been able to learn of a situation of which many of them were truly unaware. We must understand that many sectors outside and even inside Central America are subjected to a bombardment by some news agencies, especially those of the United States, that totally distorts the situation here. Therefore, the fact that delegations from practically throughout the world have come to Managua can help some to change their viewpoint about the real situation, about the drama this region is experiencing and especially about the dangerous situation that Nicaragua is experiencing due to the threats and aggression hanging over it. [end recording]

We also asked Grenadian Foreign Minister Unison Whiteman for his opinion:

[Begin recording] [Whiteman; in English with phrase-by-phrase translation] Another proof of the success of the meeting is the progressive quality of the final resolutions of the Managua communique. There has been great solidarity with the Nicaraguan people and revolution and with the progressive struggle of the peoples of the Caribbean and all Latin America.

[Question] What repercussions do you think the Managua document will have [words indistinct] Latin American situation?

[Answer] I think it will have an important impact because it has a great [word indistinct] to the plans of imperialism [words indistinct]. The communique rejects imperialism's theory that the Central American problem is caused by the confrontations of the warmongering forces of the East-West conflict. As you know, the nonaligned movement is a large movement that includes half of the world [words indistinct]. [end recording] [passage omitted]

Ecuadorean Deputy Foreign Minister Hernan Veintimilla said:

[Begin recording] [Veintimilla] (?I feel) the Managua document is of great importance because it mainly deals with Latin American and Caribbean problems. In truth, in other meetings these subjects were discussed [words indistinct] meeting held in Nicaragua and having viewed these problems from the Latin American viewpoint. In this sense, I think that Latin America is gaining greater importance in the nonaligned movement and I think that Latin America's contribution will be increasingly more positive for the fulfillment of the plans and objectives of the movement.

[Question] What advances do you think were achieved in this ministerial meeting, particularly in the movement's anti-imperialist positions?

[Answer] It is positive [words indistinct] imperialist intervention. Ecuador's position in this regard is (?firm). Ecuador is against all internal and external intervention in the affairs of states. Latin America and the Caribbean should continue to meet to coordinate policy and achieve essential objectives that will serve as a basis for negotiation in both multilateral organizations and in bilateral negotiations.

[Question] What do you expect from the forthcoming nonaligned summit?

[Answer] The seventh nonaligned summit in New Delhi will be very important and momentous since after the previous summits, we should have the necessary facts so that, within an objective analysis of the reality, as has been done here, we can begin to take one more step in the struggle for the movement's ideals and objectives, that of implementing plans of action. [end recording]

CSO: 3248/434

AFGHAN DELEGATE TO NONALIGNED DEPARTS

PA180052 Managua Radio Sandino Network in Spanish 1200 GMT 17 Jan 83

[Text] Before departing, Afghan Foreign Minister (Zarwar Horish) [title and name as heard], who participated as his country's delegate to the fifth special ministerial meeting of the nonaligned movement's coordinating bureau, said that with the result of this meeting we attained important objectives in the development and advancement of the Latin American and Caribbean countries.

He added that the mere fact that the meeting was held in Nicaragua shows the distinction that this country has earned in the international sphere and in the revolutionary alliance of the countries of the world.

He stressed that the success of the meeting is within the framework of the solidarity of the world's countries with Nicaragua and the concern of the nonaligned member countries' concern over contributing to the peaceful solution of the area's problems.

CSO: 3248/434

URUGAYAN JUAN FERREIRA MAKES STATEMENT

On Nonaligned Meeting

PA141858 Managua Radio Sandino Network in Spanish 1200 GMT 14 Jan 83

[Text] Juan Ferreira, president of the Democratic Convergence of Uruguay, has stated that the draft of the final declaration presented by Nicaragua to the fifth special ministerial meeting of the nonaligned movement coordinating bureau includes the aspirations of the peoples and countries of Latin America and the Caribbean that are fighting to install popular regimes.

Ferreira, who is attending the nonaligned meeting in Managua as a special guest, stressed that the Nicaraguan people and government give special meaning to the nonaligned meeting and added that the welcoming ceremony held at the Carlos Fonseca Plaza of the Revolution was an impressive manifestation of the popular power of the Sandinist revolution and its revolutionary leadership, the FSLN.

Here are some remarks by Ferreira:

[Begin recording] [Ferreira] What we have to do when we think about this nonaligned meeting is to express clearly our immense gratitude to the Nicaraguan people and government and to the FSLN for the invitation sent to the convergence to participate as a special guest. In this gratitude we mention the importance that we give to the fact that the meeting is being held in Nicaragua. The impressive popular rally that was held at the Plaza of the Revolution yesterday, in which the Nicaraguan people greeted the delegates of this meeting, shows the very special significance of the fact that the non-aligned ministers meeting is being held in a country where a process with such enthusiastic support from the people is underway. I believe that all the delegates were able to witness the level of popular participation that the Nicaraguan people and their mass organizations have in the process in this country. Therefore, we think that there couldn't be a better framework for a meeting of this nature than the capital of Sandino's land.

[Question] What do you expect from this Managua meeting?

[Answer] Well, we've seen the basic document that the Nicaraguan delegation presented for discussion. This document includes the aspirations of all of us

in Latin America and the third world who are fighting for democracy, the installation of popular regimes and nonalignment. As well as against imperialism. We have our national and even regional hopes set on this resolution.

We are working with much success and anticipation to have the Uruguayan situation specifically mentioned in the final document in addition to the other problems analyzed in it. We feel that our situation must be mentioned, not because we believe that every international meeting must refer to each of the democratization processes in the continent, but because we believe that the present moment makes it essential for the international community to speak up at a time when the Uruguayan regime is at its weakest point and when the popular forces have shown their ability to mobilize. If we want the international movement to discuss our situation, we are even more interested in having the nonaligned movement--which represents these sentiments in the international sphere--mention this subject. [end recording]

On Political Prisoners

PA142254 Managua Radio Sandino in Spanish 1830 GMT 14 Jan 83

[Text] Juan Ferreira, president of the Uruguayan Democratic Convergence, has said that the Uruguayan Government admits the existence of almost 1,200 political prisoners.

Ferreira is a guest of the fifth nonaligned movement coordinating bureau ministerial meeting being held at the Cesar Augusto Silva Convention Center in Managua.

We feel that an immediate political solution to the problem of the political prisoners must be found, Ferreira said, adding that beyond the struggle for each of the prisoners, the definite solution to the problem will be the downfall of the dictatorial regime and the establishment of a democratic government. Here are remarks by Juan Ferreira in an interview with Radio Sandino:

[Begin recording] [Ferreira] We are involved in that struggle. We are undertaking campaigns for each of these prisoners while also trying to find an overall solution to the problem, which is none other than the lack of freedom and the arbitrary actions, arrogance and despotism that reign in our country and that will only end when there is not a single trace of the dictatorship and we have established a fully democratic regime.

[Question] What is the reaction of the Uruguayan people to the problem of the political prisoners?

[Answer] The Uruguayan people have shown their solidarity with the prisoners in all actions that involve political struggle. Our people recently achieved the most spectacular victory against the dictatorship. In the recent domestic elections that, even though held by the dictatorial regime amid great oppression, the opposition forces obtained 85 percent of the vote, while the government, with all its repressive machinery and arbitrary actions,

obtained only 15 percent. On 28 November, in the biggest demonstration in the country's history, the people went out in the streets to celebrate their electoral victory, to demand the fall of the dictatorship and the release of the prisoners. In an unprecedented event, a huge demonstration took place in front of the central jail in Montevideo. The people demanded the release of Gen Liber Seregni, who is the symbol of the prisoners. [He] represents all the political prisoners. He is a prisoner of conscience, who embodies the courage and bravery of our prisoners and at the same time the Uruguayan democrats' struggle to recover freedom. He is the democratic convergence's symbol for all the prisoners. [end recording]

CSO: 3248/433

U.S. ACCUSED OF TRYING TO BOYCOTT NONALIGNED MEETING

PAL40432 Managua Domestic Service in Spanish 0300 GMT 14 Jan 83

[Text] In a bid to boycott the sessions of the special nonaligned movement's coordinating bureau, representatives of the North American government have circulated a 6-page document in which they make a number of recommendations intended to boycott the nonaligned meeting in Managua.

Newswoman Maritza Pena will now give us further information about this important news:

[Being Pena recording] The U.S. Government has circulated a 6-page document among delegations that are attending the special nonaligned ministerial meeting outlining the positions that they must assume during the event and analyzing the Latin American situation. This was reported during a news conference by Lazaro Mora, ambassador-director for the movement of the Cuban Foreign Ministry. He added that the document reached only a small group of nations, some of which were not prepared to endorse Washington's position.

The Caribbean diplomat said that this falls within the framework of U.S. maneuvers to boycott the nonaligned bureau meeting that is taking place successfully in Nicaragua. He asserted that the Reagan administration first tried to provoke limited attendance at the meeting. However, the turnout is the largest ever in the history of the bureau's special ministerial meetings. Secondly, he explained, the United States tried to secure only low-level delegations, while, much to the contrary, the Managua meeting has the highest number of foreign ministers and deputy ministers in attendance in the bureau's annals.

Lazaro Mora emphasized that all of these setbacks led the state department to try to boycott the meeting from inside, imposing its policies on Latin America and the Caribbean through certain delegations. Upon commenting on the maneuver, the Cuban delegation decided to ask the bureau's drafting committee to make copies of the U.S. document and to distribute them among all of the delegates. This way, it added, everyone will be able to learn about the U.S. maneuver.

The memorandum drafted by Washington asserts that the United States remained neutral during the Malvinas war. In this respect, the nonaligned countries have accused the Reagan administration of openly supporting Great Britain

during the invasion of the Malvinas Islands and of taking an anti-Latin American position.

The Cuban diplomat added that Alexander Haig's alleged mediation between Buenos Aires and London was simply a dilatory maneuver, intended to give Great Britain time to prepare the invasion fleet and allow time to put together U.S. military assistance for that nation.

The document that was circulated by the United States also defends the so-called peace forum promoted by the state department as a solution to the Central American crisis. That meeting was mortally defeated when the most representative governments in Latin America and the Caribbean rejected it. The declaration of Contadora, which was recently signed by Mexico, Venezuela, Panama and Colombia, confronted the United States with the greatest isolation it has faced in recent decades.

In addition, the document accuses Cuba and Nicaragua of arming the Salvadoran insurgents. The Nicaraguan Foreign Ministry and important governments and sectors of America have underscored the fact that Washington has never been able to show proof of that, because it is a falsehood.

It also accuses the Nicaraguan Government of curbing the activities of national sectors like the church. It should be noted that Nicaragua is the Latin American country with the largest number of religious men on its cabinet. The memorandum asserts that the United States is not engaged in a maneuver to destabilize the Grenadian Government. On several occasions, Grenadian Prime Minister Maurice Bishop has denounced political, diplomatic, economic and military maneuvers against the process being experienced by that Caribbean country.

It also denies that the Reagan administration is trying to shirk compliance with the Panama Canal treaties. The government of that isthmian nation has a long list of charges showing the U.S. attempts to avoid restoring the Panamanian people's sovereignty there and revealing the constant violations of the Torrijos-Carter treaties.

At the end of the news conference in which he denounced the Reagan administration's maneuvers, the Cuban diplomat said that the U.S. Government is the main source of the conflicts and tragedy that are plaguing El Salvador today and that it is now threatening Nicaragua with aggression that may unleash a regional conflict of unforeseeable consequences. [end recording]

CSO: 3248/433

CUBAN DELEGATE DISCUSSES RELATIONS WITH U.S.

PA142111 Panama City ACAN in Spanish 2044 GMT 14 Jan 83

[Text] Managua, 14 Jan (ACAN-EFE)--Ambassador Lazaro Mora, director of non-aligned affairs at the Cuban Foreign Ministry, refused to comment here today on whether there is a process of rapprochement between Cuba and the United States, although he declared that his government "has always been willing" to normalize relations with Washington.

Mora is a member of the Cuban delegation at the fifth ministerial meeting of the nonaligned coordinating bureau in Managua. He said that in normalizing relations with the United States, his government "demands only that we be treated as equals."

"We require recognition of our country and of our people's right to provide for themselves the political, economic and social regime that they believe best suits their interests," he added.

The official warned that under no conditions "will we link our foreign policy to the demands of the U.S. Government."

He said that Cuba places the problem of normalization within the framework of bilateral relations, without asking for or imposing conditions on the United States in terms of its international policy. "But they must respect ours," Mora concluded.

CSO: 3248/433

COUNTRY SECTION

HAVANA REPORTS ON NONALIGNED MEETING ACTIVITIES

PA141241 Havana International Service in Spanish 0000 GMT 14 Jan 83

[By Julio Perez]

[Text] Managua--Parallel to the debates on the final draft declaration of the special nonaligned ministers meeting on Latin America and the Caribbean, two important events took place here today, Thursday.

The first was the presentation at the Government Palace to Nicaraguan and foreign newsmen of two Nicaraguan counterrevolutionaries, a Honduran corporal and a militiaman forced to join the enemy ranks, who were captured by the Sandinist army when they entered Nicaraguan territory from Honduras. Identified as (Juan Ramon Uregui Osorio), (Constantino Espinoza Aguilera), (Carlos Alberto Izaguirre) and (Agustin Pena), they agreed that the Honduran army and U.S. advisers are in charge of training former Somozist guardsmen camped along the Nicaraguan border.

Honduran corporal (Carlos Alberto Izaguirre) and (Agustin Pena) said the Argentine and U.S. armies are engaged in advisory activities with Somozist counterrevolutionaries. (Pena), captured on 2 January, said he was a member of the intelligence service of the so-called Nicaraguan Democratic Front a terrorist organization that has carried out many sabotage actions against Nicaraguan military and civilian installations. He said he was trained in the use of U.S.-manufactured C-4 and TNT explosives, in addition to receiving infantry training with Belgian FAL and Chinese AK weapons.

The other important event today in connection with the ministerial meeting was the news conference offered by the president of the Democratic Revolutionary Front of El Salvador, Guillermo Manuel Ungo, who said that 1983 will be a year of increased advances in the political and military fields by the FDR [Revolutionary Democratic Front] and the FMLN. He said the October military campaign, which extended to mid-December, was carried out with significant success.

In the new year, he noted, another guerrilla campaign has started with continued successes, including the occupation of towns, the seizure of military equipment and the taking of a large number of prisoners of war. All of this shows the government forces' demoralization. He noted that the army has

clearly shown its inability to win the war or even make slight advances. In fact, the army has been forced to retreat rather than advance in military operations.

In the political sector, Ungo explained the so-called government of national unity reveals internal quarrels every day and is affected by a growing crisis of authority and power, as there has been clear evidence that even the basic principles of military hierarchy are no longer respected. A political project subordinated to a military project fails by the measure in which the military plan fails. He added that the proposal for dialogue, despite having been formally rejected by the government, is providing greater international support because most Latin American nations are very concerned by the possibility of intervention and the regionalization of the conflict. Ungo explained that this situation is leading some governments of the area to drift away from the U.S. policy. He underlined the growing support in the interior of the country from national sectors for the policy of dialogue proposed by the FDR-FMLN, as the front advances politically and militarily, making possible the basic objective to achieve a government of broad popular participation.

Ungo said the nonaligned meeting is a demonstration of the concern over the situation in Central America, including El Salvador. Every day there is greater concern and interest in the search for efforts that will contribute to achieve peace and point to the true causes threatening the peace; to lead to concerted actions aimed at making the principle of self-determination possible.

Further on, he said that the position of the Salvadoran bishops on a dialogue between the opposition factions in El Salvador reflects the sentiment of the majority of the Salvadoran people, who have already voiced their support one way or another; of other sectors that support neither side; and even of those sectors of the government who have dared express their support for a dialogue despite receiving death threats.

Ungo told the journalists accredited to the nonaligned ministerial meeting in Managua that there are only two paths left open for the United States: it either directly intervenes in the war or it accepts a dialogue between the parties in conflict. However, he added that everything indicates that the United States insists on confrontation because it continues to support the army and give it military support. Nevertheless, the FDR president said, we feel optimistic and we don't think that a more direct U.S. intervention in El Salvador will take place. I think, Ungo added, that the recent dispute between General Garcia and Colonel Ochoa is one more proof of the demoralization of the Salvadoran army.

Meanwhile, debates continue on the draft of the Managua communique presented by the Nicaraguan delegation to the special ministerial meeting of the coordinating bureau of the nonaligned countries. Diplomatic sources said that paragraph no 33 was totally approved without any change from its original text. The paragraph states that the ministers condemn the threats and aggressions against Nicaragua, the financing of covert operations and the use of the territory of the United States and countries neighboring Nicaragua for the

training of counterrevolutionary forces. They also condemn the violation of airspace and territorial waters by U.S. airplanes and ships. These actions have resulted in terrorists acts, armed attacks, sabotage and other acts directed at the overthrow of the revolutionary government, and have left a toll of 400 dead.

Other paragraphs have also been approved that condemn the systematic campaign of economic destabilization against Nicaragua aimed at preventing the normal development of its economy.

Paragraph no 36 has also been approved. It views with satisfaction Nicaragua's firm and reiterated desire for peace as expressed in its initiative for a direct dialogue with Honduras and the United States.

Sources officially linked to the conference said that there is a motion by Algeria that proposes that the nonaligned closely follow Central American events after the Managua meeting concludes. Other countries have asked that there be a stronger condemnation of the Zionist escalation in Central America and South America.

Regarding the general content of the communique, most of the countries represented in the drafting committee believe it is a good basic document that reflects the concerns and principles of the movement and which will need only a few adjustments and improvements to turn it into the final communique of the meeting. Countries such as Iran, Libya, Mali, Algeria, Laos, Kuwait, Afghanistan, Democratic Yemen, Guyana, Cameroon, Vietnam, Nigeria, Grenada and Cuba have expressed such a view.

CSO: 3248/433

VENEZUELAN DELEGATE TO NONALIGNED INTERVIEWED

PA141640 Managua Sistema Sandinista Television Network in Spanish 0200 GMT
13 Jan 83

[Text] We spoke with Manuel Perez Guerrero, head of the Venezuelan delegation to the nonaligned meeting, on the present state of the peace efforts being made by Mexico and Venezuela.

[Begin recording] [Perez Guerrero] The Colombian, Panamanian, Venezuelan and Mexican foreign ministers met on Contadora Island in Panama and spoke of the proposal. They believed it has to be revitalized [words indistinct]. I believe there is a good chance for this and other proposals to be consolidated in order to obtain a lasting peace initiative between Nicaragua and Honduras to prevent the situation from developing into a war.

[Question] What is your opinion of the draft of the Managua document?

[Answer] I have not seen the final draft. I believe it is good. It gathers the main points; but, like all drafts, it requires amendments like the ones that will be proposed here. We expect a good final resolution because during the meeting very important issues for Central America and Latin America will be discussed. [end recording]

CSO: 3248/433

JOURNAL VIEWS GOVERNMENT CAMPAIGN OF TERROR

Amsterdam ELSEVIERS MAGAZINE in Dutch 18 Dec 82 pp 10-17

[Article by Sig. W. Wolf: "Saint Bartholomew Night in Suriname -- Bouterse's Dirty Hands"]

[Text] "If you don't fix up your uncle's body immediately, in a few hours you yourself will be lying on that dissecting table," snapped a male military nurse at a horrified female colleague. Terror, intimidation and Cuban "revolution" in a Suriname paralyzed by fear.

"The wild animals in our jungles are tame rabbits compared to those animals in Fort Zeelandia. Swietie Sranan is a hell where military personnel are raging like devils." Shocked and with fear still on his face, a Surinamese technician arriving at Schiphol airport testified to the tragedy which has befallen his country. He could barely control his emotions when he told about how not only men, but also women and children were dragged from their homes and, following punishment by crazed soldiers, returned to their homes staggering and bleeding. "They were given a beating because they told the soldiers of their repulsion at what had happened."

Fear and uncertainty hold Surinamese society in a forceful grip. The slaughter, which cost the lives of more than 30 prominent personalities, has made the people desperate. Is this the beginning of an Amin-like reign of terror in which we are doomed to live, people ask themselves in desperation. The people are paralyzed and are awaiting developments with apathy. Any resistance is senseless for the moment because 24 hours a day the state radio blares the threat that anyone who ignores the orders from the military will be arrested without mercy. Commander Bouterse warned managers who tried to make it clear to him that they were having a hard time keeping their workers under control, that strikes would be broken with violence.

As reports are reaching abroad, it has become as clear as noonday that Suriname has been turned into an inferno in which casualties still occur daily. The dirty hands of army Commander Bouterse are directing the murder commandos into the far corners of the capital of Paramaribo and the surrounding districts. Anyone who does not cooperate in tracking down people in hiding is told straight away that a one-way trip to Fort Zeelandia lies ahead. Intimidation and terror are vying for precedence. A nurse at the Academic

Hospital, for example, where the mutilated victims were made "to look presentable," experienced this painfully. When, horrified, she refused to lay out the mauled body of her uncle in the dissecting room of the mortuary, a military colleague snapped at her: "If you don't fix up that body immediately, in a few hours you yourself will be lying on that dissecting table."

In today's Suriname all standards have been eliminated and personal feelings are not taken into account. Army Commander Bouterse gave a striking example of this on television when, in a resolute tone of voice and with a cynical smile on his lips, he referred to a "few accidents" which happened during the tropical Saint Bartholomew Night. His desperate countrymen, plunged in mourning, who already knew about the executions through rumors, could not believe their ears or eyes. Their worst suspicions were confirmed. Family members, friends and acquaintances were summarily executed or tortured to death: "During an attempted escape when being transported from Fort Zeelandia to the Memre Boekoe barracks," lied the bloodthirsty army leader.

Bouterse's crocodile tears for the mistakes that were made and his hypocritical prayer that "the Almighty lead the country out of the deep valley," confirmed his decay. The once celebrated revolutionary showed plainly that he had not lost his touch; charming and repentant he recognized his responsibility, but at the same time he made it clear that he "is not a man to be trifled with." He "defends" his acquired power at the cost of friend and foe as numerous tyrants in history have.

The final unmasking of the most powerful man in Suriname came less than 2 years after he laughingly told ELSEVIERS' Rene de Bok on the porch of his home in Fort Zeelandia: "They say that I take everybody in custody and that the soldiers are afraid. They would rather arrest everybody. I am not an Idi Amin." This was still during the euphoria of the coup, when many people in Suriname believed steadfastly in the good intentions of Bouterse following his grab for power in February 1980.

Former Sergeant Bouterse who, as a reward for his military experience, had meanwhile rocketed himself to lieutenant colonel, gave ample reason for the misconception that he wanted to provide an orderly government for the country. Immediately following the "operation" he surrounded himself with sympathetic citizens who believed in the revolutionary process: get rid of corruption in the country, a real voice for all levels of the population, and respect for the constitutional rights. Intentions which were greeted without suspicion by a people which was having difficulty shaking off the inheritance of 300 years of colonialism. Because, ever since independence in 1975, there was growing distaste for a formal parliamentary democracy which did not function decently. Existing corrupt relationships continued. A small economic elite dominated the weakest in society. Bouterse seemed like a driven person who wanted to reform post-colonial society in Suriname.

There is one thing about which, as the most powerful man in the country, he never for one moment allowed any misunderstanding to exist: he did not tolerate any opposition to the exercise of his "revolutionary" administration. As a result, over a period of 2 years he forced 2 presidents to resign and 40 ministers succeeded each other. Bouterse never got down to the democratization of the country's government which he talked so much about. As a matter

of fact, he did not really want that. Any attempt by ministers in that direction was blocked. His resourcefulness proved inexhaustible. The first time a real attempt was made to get the process of democratization going, he alleged that his allies of the first hour -- Sital, Mijnaals and Joeman -- were preparing a leftist coup. Another time he claimed that the people were not ready for it and that, consequently, the military could not "yet" withdraw to the barracks. "One fabricated 'coup' after another was used as an excuse to cut off the road to democracy," recalled former Minister Haakmat.

The clever Bouterse did present the people with the pacifier of the people's committees, whose members were appointed by the military authorities. The people fell for this facade of popular democracy. The people's committees did bring intensive discussions on the future structure of the state. But there was also growing suspicion about the true intentions of the ruler, especially when he kept postponing the date for elections indefinitely.

The long-suffering people looked on while one government program after the other was changed without any input from the citizens. The eyes of the Surinamese opened only when President Henk Chin A Sen stumbled over his attempt to develop a constitution.

Bouterse found out that with a new constitution, the influence of the military would be reduced to zero. Together with his companion, garrison Commander Horb, he was afraid that their role would come to an end. They promptly gave Chin A Sen the sack. That was a sign for the Surinamese people that for the time being they would remain saddled with the military who did not show any evidence at all that they were keeping in touch with society. With fear, the people also noted that the military authorities were steering toward the kind of "ideal people's republic" which is so passionately propagated by the communist Cuban dictator, Fidel Castro. In order to help along the implementation of this state model, the Cuban government leader stationed his right hand man and expert in difficult matters, Osvaldo Oscar Cardenas Junquera, as ambassador in the Surinamese capital. In his wake followed 30 accomplices as "advisers" for the army.

As a matter of fact, the military rulers had once before conspicuously strengthened the bonds of friendship with Cuba. Havana provided for the training of a number of military officials, such as Joeman, Leeftang and Bagwandas, who now serve as pioneers for the Cuban approach in the Surinamese army. In return, Suriname bought Cuban rice and sugar at a price 15 times higher than the world market price.

Cuban influence within the army and within the center of power grew, to the great alarm of the people. All "revolution" was considered fine, as long as leftist extremism was kept out. The concern and alarm came too late. Army leader Bouterse, encouraged by the ambitious Minister of Foreign Affairs Harvey Naarendorp, took ever more daring steps against the unions, the students and the news media, which offered unvarnished criticism of the goings on in the country. Hence, it did not surprise anyone that in March of this year, former Lieutenant Surrendre Rambocus and Sergeant Wilfred Hawker made an attempt to overthrow the military regime.

It was a serious shock for Bouterse that during the first hours of this coup, glasses were raised in a large number of people's committees. To intimates, he complained about the treason of his rank and file. "For them it is also today 'Hosannah' and tomorrow 'Crucify him'," he inadvertently let drop during a cabinet meeting.

Since the discovery that he was no longer the beloved "Bouta," he changed even more into a grim, unaccountable potentate. He dealt summarily with Hawker by personally executing him on a stretcher in Fort Zeelandia. The ruler realized that he was in danger of losing his grip on the country and he drew all power to himself by establishing a "Management Center." He knew that, in his pursuit of total power, he had the support of a small group of leftist radical fellow workers who, purely for the sake of opportunism, had claimed for themselves the role of indefatigable cheerleaders. This clique around Bouterse felt nearly as powerful as the ruler. Hence, no thought was given to pressing forward with the state reforms.

The "Bouta" clique also felt strengthened in its policy thanks to the attitude of countries such as the Netherlands, Venezuela and the United States. A military and economic treaty was concluded with Venezuela, in accordance with which Suriname would supply bauxite in order to keep that country's smelter going. In return, Suriname would receive weapons. From the United States they obtained the assurance that as long as they were still experimenting with new structures, Washington would not put the slightest obstacle in the regime's way. As an encouragement bonus, \$1.5 million in development aid was granted for 2 years.

The biggest incentive, however, came from the Netherlands which kept taking a tolerant position because of a dread of being accused of post-colonial interference. Money from the Ministry of Development Cooperation continued to flow to Paramaribo, even though time and time again Suriname proved that it was not paying any attention to the growing socio-economic problems. With great eagerness, the Netherlands also implemented its military treaty. The training of 120 military personnel in Dutch barracks and at the Royal Military Academy in Breda, as well as the steady flow of military equipment supplied by our country, were translated in Paramaribo as approval of the policy being conducted. The recently appointed Surinamese Ambassador Herrenberg pointed this out only last week. He knew what he was talking about. A ship from the shipping company Kroonvlag, fully loaded with military equipment, had left the port of Rotterdam a few days earlier heading for Paramaribo.

With these, according to Herrenberg, "constant tokens of esteem for what we are doing" to fall back upon, it was a matter of course for the military leaders undisturbed to continue their repressive actions. Union leader Cyril Daal, one of the victims of the bloodbath, experienced this painfully when, 3 weeks ago, he dared to engage in a major confrontation with the military authorities. More out of fear than understanding for the regime, Daal agreed with Bouterse's vague promise to restore democracy. Daal remembered all too well Bouterse's threat that in case of a general strike, the military would not hesitate to fire on the workers to force them back to work.

Following the umpteenth cowardly victory, Bouterse announced triumphantly that at the latest by March 1983 proposals would be made for a new constitution. A law concerning political parties was also said to be within reach. Unions and other groups in society knew better. These sham promises had been heard before.

In order to make it clear to the military government that people were more than fed up with being made fools of, 13 professional groups, such as the Committee of Christian Churches, the Order of Lawyers, and the Association of Medical Doctors, joined together in the Association for Democracy. Such a combined power of groups meant a direct threat to the government. Furthermore, it was a growing irritation to the military rulers to experience the degree to which resistance was taking on militant forms. The news media denounced Bouterse and his regime in straightforward language as merciless oppressors and puppets of the Cuban doctrine. The mass cheering of Rambocus and three other suspects in the coup attempt in March, and the rain of confetti they got when they left the courtroom after having been given light sentences, represented the umpteenth expression of hate for the government.

The military authorities understood these signals. They waited for an occasion to get the people definitively to their knees. Within the walls of Fort Zeelandia, and with the help of the Cuban "advisers," the plan was hatched to strike with destructive force at the next demonstration of resistance. A list had already been drawn up of 200 names of leftist and rightist opponents, in short of people marked as "potentially dangerous."

Originally, Bouterse encountered resistance from moderate garrison Commander Roy Horb and from former sergeant but now Minister of Health Sital. They insisted on continuing the dialogue with the unions and with the Association for Democracy. Bouterse reminded Horb and Sital of the joint oath taken by the 16 commandos on the eve of the coup of February 1980: "Anyone who turns away from the group commits treason and will be executed without mercy." Hawker's fate floated before the eyes of the waverers.

The occasion to strike came more rapidly than Bouterse had expected. Following a meeting of students and scholars in the building of the Progressive Workers Organization, a procession took place to the Square of the Revolution. Many older people joined in. At the Square of the Revolution, the police and the military charged the demonstrating masses, as they had done a week earlier at a student demonstration. The demonstrators pelted the military with rocks and threatened to set on fire a tank which had advanced in the meantime.

Bouterse had found his occasion to "strike": the scenario for the final destructive blow could be carried out. With tanks and jeeps, the attack was started at 2 o'clock in the morning. The union building of the Mother Union, radio stations ABC and Radica and the premises of the newspaper VRIJE STEM were set on fire with grenades. Simultaneously began a macabre raid on the homes of the 200 most feared opponents. Firing, the soldiers forced their way into the houses and dragged reporters, lawyers, union leaders and businessmen to vehicles which were standing ready. Anyone who resisted was roughly forced to surrender. This happened, for example, to former Minister Kamperveen, the owner of radio station ABC. His arms and legs were broken.

Some victims collapsed on the spot out of fear and anxiety. The wife of a businessman who arrived here on the first flight from Suriname, said about the arrest of a neighbor across the way: "I was awakened by the droning of the engines. Spanish speaking soldiers, their rifles at the ready, first shot down my neighbor's four dogs. Next, they pushed their rifles through the window blinds and fired inside. Doors were broken in and I could just see how my neighbor was hit on the head with the rifle butt. He was dragged outside by the hair. One of the soldiers apparently felt that he did not cooperate enough and gave him an extra kick in the crotch."

Those who were arrested were taken to Fort Zeelandia. Just like Rambocus and his coup accomplices who were imprisoned at the Memre Boekoe barracks. While the torturers began at the Fort, the military forced reporter Slagveer to read a statement before a television camera. In this statement, he "admitted" that a "rightist economic elite," with help from abroad, had prepared a coup before Christmas.

In groups of six, those who had been arrested were led to the inner court and executed there. A few Cubans also participated in this. Meanwhile, raids were also taking place on hotels and boarding establishments. A member of the Royal Mounted Constabulary who, as security officer on a KLM [Royal Dutch Airlines] plane, resided at the Torarica Hotel, confirmed the wild behavior of the soldiers. "A small group of soldiers had presented themselves at the reception desk and asked to see the guest book. When the manager asked for a search warrant, the response was: we don't need a warrant. Just get the list and the keys. The soldiers were particularly interested in the hotel guests from the Netherlands. Thanks to the intervention of the Dutch ambassador, who had been notified in the meantime, they were prevented from entering my room and that of the crew of a KLM plane. I did hear from other hotel guests that they were thrown out of bed."

It was late before Surinamese society became aware of the nighttime raid and the following mass execution of those who had been arrested. A wholesaler in disinfectants and plastic body bags quickly understood what was going on. He received a phone call from military nurses at the Academic Hospital with the request to deliver 200 bags quickly. A staff member of the mortuary at the Academic Hospital confirmed the gruesome tortures most of the victims had to suffer. "Signs hung around the necks of those who had been executed in order to make identification possible. Number 1 hung around Rambocus' neck."

The most mutilated victims were secretly buried Thursday evening in a mass grave at the Annetteshof cemetery on the outskirts of the suburb of "Zorg en Hoop."

The disturbance and dismay of the people grew as details of the events became known. Not through the local press or radio, because they had been ordered to be silent. The news reached the Surinamese via the world service and telephone conversations with compatriots in the Netherlands, who were often better informed than the local people.

The obstinate silence of the military plunged the people in a torturing uncertainty. This uncertainty is still growing because nobody knows what the coming

months may bring. This concern is heightened by the presence of 150 Cuban military personnel, who were flown in during the night of Wednesday to Thursday and were housed at the Memre Boekoe barracks. It is feared that Suriname will become a Cuba on the Latin American continent. According to the French press office AGENCE FRANCE PRESSE, a military spokesman in Guyana alluded to this. He said that, if the "rich elite" continues to look for foreign aid to bring down the military government, the military rulers could call upon Russian and Cuban troops for assistance. Now that both the Netherlands and the United States have announced that they are putting a stop to all support for Suriname, the military rulers have a direct excuse to appeal to communist regimes. Thus, Suriname runs the risk of becoming a toy in the hands of the leftist international bloc, a situation which would be unacceptable to Brazil, Venezuela and the United States. At the time of the 1980 coup, part of the Brazilian fleet was ready to intervene if it were to be determined that this was a leftist coup. The question now is whether and for how long Brazil would remain a passive onlooker while a leftist dictatorship established itself in the northern neighbor country. Whether the United States can be expected to remain idly on the sidelines is another question which imposes itself.

In Suriname, people are wondering about the puzzle of how it could be possible for a turning point to be achieved in such a dramatic manner. They are surprised that "a winning personality like Bouterse, who originally managed to charm everyone" has been transformed into a man with the lust for power. A man who is flatly turning the country into a possible hotbed for international conflicts. Only last week Wednesday, during an interview with ELSEVIER, Suriname's Ambassador Herrenberg stated that there is "no colonels regime" in his country "as is the case in so many countries in Latin America." He rejected any suggestion that his country has opted for an extreme leftist cause. "The commander is too realistic to throw himself into adventures. He knows that our people would never accept such a leftist government. Look, you have never understood Bouterse very well. He is in favor of an open society in which constitutional rights and human dignity are respected. There are no political prisoners in our country. Nobody gets tortured; everyone can express his opinion freely. Intimidation? Fairy tales. Go ahead and send in the Red Cross and Amnesty International. Our leaders abhor any reign of terror."

The same day that Ambassador Herrenberg made this assertion, the gruesome reality seemed substantially different. In Fort Zeelandia, the guns rattled on against defenseless civilians and destroyed all the illusions of a good natured people.

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